



Journal of the Senate

State of Indiana

115th General Assembly

First Regular Session

Twenty-first Meeting Day

Thursday Afternoon

February 22, 2007

The Senate convened at 1:40 p.m., with the President of the Senate, Rebecca S. Skillman, in the Chair.

Prayer was offered by Senator Marvin D. Riegsecker.

The Pledge of Allegiance to the Flag was led by the President of the Senate.

The Chair ordered the roll of the Senate to be called. Those present were:

Alting	Long
Becker	Lubbers
Boots	Meeks
Bowser <input checked="" type="checkbox"/>	Merritt
Bray	Miller
Breaux	Mishler
Broden	Mrvan
Deig	Nugent
Delph	Paul
Dillon	Riegsecker
Drozda	Rogers
Errington	Simpson
Ford	Sipes
Gard	Skinner
Heinold	Smith
Hershman	Steele
Howard	Tallian
Hume	Walker
Jackman	Waltz
Kenley	Waterman
Kruse	Weatherwax
Lanane	Wyss
Landske	Young, M.
Lawson	Young, R.
Lewis	Zakas

Roll Call 153: present 49; excused 1. [Note: A ☒ indicates those who were excused.] The Chair announced a quorum present. Pursuant to Senate Rule 5(d), no motion having been heard, the Journal of the previous day was considered read.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed House Bills 1193, 1204, 1211, 1214, 1237, 1241, and 1269 and the same are herewith transmitted to the Senate for further action.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Senate Concurrent Resolutions 28 and 29 and the same are herewith returned to the Senate.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed House Bills 1115, 1116, 1127, 1128, 1140, 1157, 1166, and 1171 and the same are herewith transmitted to the Senate for further action.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed House Bills 1065, 1192, 1287, 1299, 1305, 1306, 1312, 1322, 1357, 1358, 1373, 1376, 1381, 1387, and 1818 and the same are herewith transmitted to the Senate for further action.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed House Bills 1046, 1384, 1456, 1510, 1763, 1778, and 1804 and the same are herewith transmitted to the Senate for further action.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed House Concurrent Resolution 24 and the same is herewith transmitted for further action.

CLINTON MCKAY
Principal Clerk of the House

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Concurrent Resolution 26, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that

said resolution do pass.

Committee Vote: Yeas 9, Nays 0.

LUBBERS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 109, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.
Committee Vote: Yeas 9, Nays 1.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 150, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.
Committee Vote: Yeas 9, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 90, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 7, delete "an individual" and insert "**a dentist**".

(Reference is to SB 90 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Joint Resolution 2, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said resolution do pass.

Committee Vote: Yeas 9, Nays 1.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 197, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 3, line 40, delete "twelve (12)" and insert "**six (6)**".

(Reference is to SB 197 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 1.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 401, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 2-3-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. **(a)** The annual salary of the members of the general assembly shall be **the following**:

(1) Before 2009, eleven thousand six hundred dollars (\$11,600).

(2) In 2009 and thereafter, an amount equal to eighteen percent (18%) of the annual salary of a judge under IC 33-38-5-6, as adjusted under IC 33-38-5-8.1.

(b) One-half (1/2) the annual salary shall be paid on the fifteenth day of January, and one-half (1/2) the annual salary shall be paid on the fifteenth day of February.

SECTION 2. IC 2-3.5-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The defined contribution fund consists of the following:

(1) Each participant's contributions to the fund.

(2) Contributions made to the fund on behalf of the participants under:

(A) section 5 of this chapter **(before its repeal on January 1, 2009); or**

(B) after December 31, 2008, section 5.5 of this chapter.

(3) Amounts transferred to the fund under subsections (b) and (c).

(4) All gifts, grants, devises, and bequests in money, property, or other form made to the fund.

(5) All earnings on investments or on deposits of the funds.

(6) All contributions or payments to the fund made in a manner provided by the general assembly.

(b) On any July 1 following the date a participant begins participation in the defined contribution fund, if the participant has been before that date a member of PERF, any amount in the PERF annuity savings account credited to the participant may at the participant's irrevocable option be transferred one (1) time to the defined contribution fund for the benefit of the participant. At no other time, if the participant continues or begins to participate in PERF, may such a transfer be made.

(c) On any July 1 following the date a participant begins participation in the defined contribution fund, if the participant has been before that date a member of TRF, the amount in the TRF annuity savings account credited to the participant may at the participant's irrevocable election be transferred one (1) time to the defined contribution fund for the benefit of the participant. At no other time, if the participant continues or begins to participate in TRF, may the transfer be made.

(d) Each participant shall be credited individually with:

(1) the participant's contributions to the fund under section 4 of this chapter, which shall be credited to the participant's account;

(2) the contributions made to the fund on behalf of the participant under:

(A) section 5 of this chapter **(before its repeal on January 1, 2009); or**

(B) **after December 31, 2008, section 5.5 of this chapter;** which shall be credited to the participant's account;

(3) the amount transferred to the fund under subsections (b) and (c), which shall be credited to the participant's account; and

(4) the net earnings on the participant's accounts, determined under section 3 of this chapter.

SECTION 3. IC 2-3.5-5-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5.5. (a) This section applies to contributions to the defined contribution fund made by the state after December 31, 2008.**

(b) This subsection applies after December 31, 2008. Notwithstanding IC 2-3.5-2-10, as used in this section, "salary" means the total of the following amounts paid to a participant by the state for performing legislative services in the year in which the amounts are paid, determined without regard to any salary reduction agreement established under Section 125 or Section 457 of the Internal Revenue Code:

(1) Salary.

(2) Business per diem allowance and allowances paid in lieu of the submission of claims for reimbursement (but excluding any allowances paid for mileage).

(3) Allowances paid to officers of the house of representatives and the senate.

(c) This subsection applies after December 31, 2008. The state shall make a contribution to the defined contribution fund on behalf of each participant on June 30 of each year. The amount of the contribution is determined by multiplying the participant's salary for that year by a percentage determined for that year by the PERF board under subsection (d).

(d) This subsection applies after December 31, 2008. The PERF board shall use the following rates in determining the percentage described in subsection (c):

(1) The rate of the state's normal contribution for its employees to PERF, as determined under IC 5-10.2-2-11.

(2) The rate at which the state makes contributions to annuity savings accounts on behalf of state employees who are members of PERF, as specified in IC 5-10.2-3-2 and IC 5-10.3-7-9.

(e) This subsection applies after December 31, 2008. The budget agency shall confirm the percentage determined by the PERF board. The percentage confirmed by the budget agency may not exceed the total contribution rate paid that year by the state to PERF for state employees.

SECTION 4. IC 2-3.5-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 8. (a) For purposes of this chapter, there is appropriated for each biennium the following sums of money:**

(1) From the state general fund, the amount required to equal the contributions specified in:

(A) section 5 of this chapter (before its repeal on January 1, 2009); or

(B) after December 31, 2008, section 5.5 of this chapter.

(2) From the state general fund, the amount required for administration of this chapter.

(b) The biennial appropriation provided in this section shall be credited to the defined contribution fund annually in the month of July of each year of the biennium, based on the amounts specified in subsection (a)."

Page 2, delete lines 1 through 18.

Page 6, after line 7, begin a new paragraph and insert:

"SECTION 12. IC 5-10-8-8, AS AMENDED BY P.L.178-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 8. (a) This section applies only to the state and employees who are not covered by a plan established under section 6 of this chapter.**

(b) After June 30, 1986, the state shall provide a group health insurance plan to each retired employee:

(1) whose retirement date is:

(A) after June 29, 1986, for a retired employee who was a member of the field examiners' retirement fund;

(B) after May 31, 1986, for a retired employee who was a member of the Indiana state teachers' retirement fund; or

(C) after June 30, 1986, for a retired employee not covered by clause (A) or (B);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(3) who:

(A) for an employee who retires before January 1, 2007, will have completed:

(i) twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement; and

(ii) at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date; or

(B) for an employee who retires after December 31, 2006, will have completed fifteen (15) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement.

(c) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired judge;

(2) whose retirement date is after June 30, 1990;

(3) who is at least sixty-two (62) years of age;

(4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(5) who has at least eight (8) years of service credit as a participant in the Indiana judges' retirement fund, with at least eight (8) years of that service credit completed immediately preceding the judge's retirement.

(d) The state shall provide a group health insurance program to each retired employee:

- (1) who is a retired participant under the prosecuting attorneys retirement fund;
- (2) whose retirement date is after January 1, 1990;
- (3) who is at least sixty-two (62) years of age;
- (4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (5) who has at least ten (10) years of service credit as a participant in the prosecuting attorneys retirement fund, with at least ten (10) years of that service credit completed immediately preceding the participant's retirement.

(e) The state shall make available a group health insurance program to each former member of the general assembly or surviving spouse of each former member, if the former member:

- (1) is no longer a member of the general assembly;
- (2) is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the surviving spouse is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (3) has at least ten (10) years of service credit as a member in the general assembly.

A former member or surviving spouse of a former member who obtains insurance under this section is responsible for paying both the employer and the employee share of the cost of the coverage.

(f) The group health insurance program required under subsections (b) through (e) and subsection (k) must be equal to that offered active employees. The retired employee may participate in the group health insurance program if the retired employee pays an amount equal to the employer's and the employee's premium for the group health insurance for an active employee and if the retired employee within ninety (90) days after the employee's retirement date files a written request for insurance coverage with the employer. **However, Except as provided in subsection (l),** the employer may elect to pay any part of the retired employee's premium with respect to insurance coverage under this chapter.

(g) Except as provided in subsection (j), a retired employee's eligibility to continue insurance under this section ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under this section may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) Two (2) years after the date of the employee's death.
- (4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-28-10-2(b). An employee

who is on leave without pay is entitled to participate for ninety (90) days in any health insurance program maintained by the employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance.

(i) An employer may provide group health insurance for retired employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h).

(j) An employer may elect to permit former employees and their spouses, including surviving spouses, to continue to participate in a group health insurance program under this chapter after the former employee (who is otherwise qualified under this chapter to participate in a group insurance program) or spouse has become eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. An employer who makes an election under this section may require a person who continues coverage under this subsection to participate in a retiree health benefit plan developed under section 8.3 of this chapter.

(k) The state shall provide a group health insurance program to each retired employee:

- (1) who was employed as a teacher in a state institution under:
 - (A) IC 11-10-5;
 - (B) IC 12-24-3;
 - (C) IC 16-33-3;
 - (D) IC 16-33-4;
 - (E) IC 20-21-2-1; or
 - (F) IC 20-22-2-1;
- (2) who is at least fifty-five (55) years of age on or before the employee's retirement date;
- (3) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (4) who:
 - (A) has at least fifteen (15) years of service credit as a participant in the retirement fund of which the employee is a member on or before the employee's retirement date; or
 - (B) completes at least ten (10) years of service credit as a participant in the retirement fund of which the employee is a member immediately before the employee's retirement.

(l) The president pro tempore of the senate and the speaker of the house of representatives may not elect to pay any part of the premium for insurance coverage under this chapter for a former member of the general assembly or the spouse of a former member of the general assembly whose last day of service as a member of the general assembly is after July 31, 2007.

SECTION 13. IC 2-3.5-5-5 IS REPEALED [EFFECTIVE JANUARY 1, 2009]."

Renumber all SECTIONS consecutively.
(Reference is to SB 401 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 12, Nays 0.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 174, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 22-11-18-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) As used in this section, "bodily injury" has the meaning set forth in IC 35-41-1-4.

(b) As used in this section, "landlord" has the meaning set forth in IC 32-31-3-3.

(c) As used in this section, "rental premises" has the meaning set forth in IC 32-31-7-3.

(d) As used in this section, "rental unit" has the meaning set forth in IC 32-31-3-8.

(e) As used in this section, "tenant" has the meaning set forth in IC 32-31-3-10.

(f) A landlord who violates section 3.5 of this chapter:

(1) at the time the landlord delivers a rental unit to a tenant; or

(2) by failing to repair or replace a defective or an inoperable smoke detector not later than seven (7) days after receiving written notice by certified mail, return receipt requested, of the need to repair or replace the defective or inoperable smoke detector under section 3.5(e)(2) of this chapter;

commits a Class B infraction. However, the offense is a Class A infraction if the landlord has a prior violation or conviction for an offense under this section.

(g) A landlord who knowingly or intentionally violates section 3.5 of this chapter:

(1) at the time the landlord delivers a rental unit to a tenant; or

(2) by failing to repair or replace a defective or an inoperable smoke detector not later than seven (7) days after receiving written notice by certified mail, return receipt requested, of the need to repair or replace the defective or inoperable smoke detector under section 3.5(e)(2) of this chapter;

commits smoke detector malfeasance, a Class D felony, if bodily injury or loss of life occurs as the result of a fire in the rental premises and an operable smoke detector could have prevented the fire, injury, or loss of life.

(h) A tenant who knowingly or intentionally fails to:

(1) replace the batteries in a battery operated smoke detector installed in the tenant's rental unit; or

(2) promptly notify the landlord that a smoke detector installed in the rental unit is defective or inoperable and requires repair or replacement;

commits smoke detector malfeasance, a Class D felony, if bodily injury or loss of life occurs as the result of a fire in the rental premises and an operable smoke detector could have prevented the fire, injury, or loss of life.

SECTION 2. IC 32-31-5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2007]: Sec. 7. At the time a landlord delivers a rental unit to a tenant, the landlord shall require the tenant to acknowledge in writing that the rental unit is equipped with a functional smoke detector.

SECTION 3. IC 32-31-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. A tenant shall do the following:

(1) Comply with all obligations imposed primarily on a tenant by applicable provisions of health and housing codes.

(2) Keep the areas of the rental premises occupied or used by the tenant reasonably clean.

(3) Use the following in a reasonable manner:

(A) Electrical systems.

(B) Plumbing.

(C) Sanitary systems.

(D) Heating, ventilating, and air conditioning systems.

(E) Elevators, if provided.

(F) Facilities and appliances of the rental premises.

(4) Refrain from defacing, damaging, destroying, impairing, or removing any part of the rental premises.

(5) Comply with all reasonable rules and regulations in existence at the time a rental agreement is entered into. A tenant shall also comply with amended rules and regulations as provided in the rental agreement.

(6) Ensure that each smoke detector installed in the tenant's rental unit remains functional and is not disabled.

This section may not be construed to limit a landlord's obligations under this chapter or IC 32-31-8.

SECTION 4. IC 36-8-17-8, AS AMENDED BY P.L.1-2006, SECTION 579, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) A fire department serving an area that does not include a city may engage in an inspection program to promote compliance with fire safety laws. Upon the request of an owner or primary lessee who resides in a private dwelling, the fire department may inspect the interior of the private dwelling to determine compliance with IC 22-11-18-5.5. The fire department shall maintain a written report for each inspection. These reports shall be made available to the division upon request.

(b) The fire department serving an area that includes a city shall inspect every place and public way within the jurisdiction of the city, except the interiors of private dwellings, for compliance with the fire safety laws. Upon the request of an owner or primary lessee who resides in a private dwelling, the fire department may inspect the interior of the private dwelling to determine compliance with IC 22-11-18-5.5. Except as otherwise provided in the rules adopted by the commission, the fire chief of the fire department shall specify the schedule under which places and public ways are inspected and may exclude a class of places or public ways from inspection under this section, if the fire chief determines that the public interest will be served without inspection. The fire department shall maintain a written report for each inspection. The fire department shall submit monthly reports to the division, on forms prescribed by the division, containing the following information:

(1) The total number of inspections made.

(2) The total number of defects found, classified as required by the office.

(3) The total number of orders issued for correction of each class of defect.

(4) The total number of orders complied with.

(c) A volunteer fire department may carry out inspections under this section only through an individual who is certified under IC 22-14-2-6(c).

SECTION 5 [EFFECTIVE JULY 1, 2007] **IC 22-11-18-5.5(g) and IC 22-11-18-5.5(h), both as added by this act, apply only to crimes committed after June 30, 2007.**

(Reference is to SB 174 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

STEELE, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 396, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 6, line 6, after "operation" insert **"in accordance with IC 9-21-1-8(a)"**.

Page 6, line 7, delete ":".

Page 6, line 8, delete "(A)".

Page 6, line 9, delete "; or" and insert ",".

Page 6, delete lines 10 through 13.

Page 6, run in lines 7 through 14.

(Reference is to SB 396 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

STEELE, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 403, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 9, after "2." insert **"(a)"**.

Page 1, between lines 10 and 11, begin a new paragraph and insert:

"(b) The term includes a consumer's credit score."

Page 2, between lines 29 and 30, begin a new line block indented and insert:

"(6) Any of the following entities that use specialized credit reporting tools to validate a consumer's identity or to establish a consumer's creditworthiness:

(A) A public utility.

(B) A municipally owned utility.

(C) A rural electric membership corporation organized under IC 8-1-13.

(D) A corporation organized under IC 23-17 that is an electric cooperative and that has at least one (1) member that is a corporation organized under

IC 8-1-13.

(E) An energy utility (as defined in IC 8-1-2.5-2) or an affiliate of an energy utility."

Page 3, line 11, delete "may" and insert **"must"**.

Page 3, line 14, delete "or" and insert **"and"**.

Page 3, line 16, delete "," and insert **"not later than September 1, 2008,"**.

Page 5, line 25, after "system;" insert **"or"**.

Page 5, line 28, delete "; or" and insert **"."**.

Page 5, delete lines 29 through 30.

Page 6, line 18, after "16." delete "A" and insert **"(a) Except as provided in subsection (b), a"**.

Page 6, line 19, delete "ten dollars (\$10)" and insert **"five dollars (\$5)"**.

Page 6, between lines 25 and 26, begin a new paragraph and insert:

"(b) A consumer reporting agency may not impose a charge on a consumer who demonstrates that the consumer has been a victim of identity theft by submitting a copy of the police report concerning the identity theft to the consumer reporting agency."

(Reference is to SB 403 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

STEELE, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 530, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 4, line 27, reset in roman **"Class B infraction."**

Page 4, line 27, after "infraction." insert **"However, the offense is a"**.

Page 4, line 27, after "misdemeanor" insert **"if it is done with intent to hinder a criminal investigation"**.

Page 4, line 28, after "who," insert **"with intent to hinder a criminal investigation and"**.

(Reference is to SB 530 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

STEELE, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 207, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 4.

Page 1, line 8, delete "IC 16-40-5-2." and insert **"IC 16-40-5-1."**

Page 1, delete lines 11 through 14.

Page 2, line 9, delete "IC 16-40-5-4." and insert **"IC 16-40-5-2."**

Page 2, delete lines 14 through 17.

Page 2, line 18, delete "2." and insert "1.".

Page 2, delete lines 19 through 27, begin a new line block indented and insert:

- (1) an independent entity that has been certified as a patient safety organization by the federal government; or
- (2) an academic institution if:

- (A) the academic institution is most qualified; or

- (B) there is not a certified independent entity."

Page 2, line 28, delete "4." and insert "2.".

Page 2, line 28, delete "means" and insert "includes".

Page 2, delete lines 34 through 42.

Page 3, line 1, delete "(10)" and insert "(4)".

Page 3, delete lines 2 through 5.

Page 3, line 6, delete "5. The" and insert "3. (a) Subject to appropriation by the general assembly, the".

Page 3, line 7, delete "for the administration of this chapter." and insert "that collects, analyzes, interprets, and disseminates findings on a statewide basis regarding patient safety that are based on confidential and privileged information voluntarily submitted to the agency by:

- (1) a health care facility;
- (2) a health care professional; or
- (3) an individual.

(b) The state department shall ensure that the agency's board has sufficient procedures in place to allow the agency to fairly, objectively, and accurately perform the duties set forth in the agency's contract under this chapter with the state department.

(c) Information submitted by the agency to the state department may not contain information that identifies the health care provider or the patient.

(d) The agency shall analyze data, develop policies, and disseminate and assist in the implementation of procedures that enhance patient safety."

Page 3, delete lines 8 through 12.

Page 3, line 13, delete "(b)" and insert "Sec. 4.".

Page 3, line 14, delete "5" and insert "3".

Page 3, line 22, delete "Sec. 7." and insert "Sec. 5.".

Page 3, line 24, delete "6" and insert "4".

Page 3, line 34, delete "6" and insert "4".

Page 3, line 40, delete "6" and insert "4".

Page 4, delete lines 6 through 37.

Page 4, line 38, delete "12." and insert "6.".

Page 5, line 22, delete "A health care facility (as defined in IC 16-40-5-4) may use a" and insert "A peer review committee of a health care facility (as defined in IC 16-40-5-2) may submit or disclose to the agency administering IC 16-40-5 the following for purposes of IC 16-40-5:

- (1) Communications to the peer review committee.
- (2) Peer review committee proceedings.
- (3) Peer review committee records.
- (4) Determinations by the peer review committee.

Except as provided in subsection (f), information and materials disclosed to the agency under this subsection are confidential and privileged, and the agency may not use or provide the information or material to anyone for use as evidence in an administrative or a civil proceeding.

(f) The agency may disclose information provided to the agency voluntarily under this chapter for use in a criminal proceeding if a court first makes an in camera determination that the information:

- (1) is relevant to the criminal proceeding;
- (2) is material to the proceeding; and
- (3) is not reasonably available from another source.

(g) The governing board of a hospital may report, as part of the hospital's quality assessment and improvement program, a determination of a peer review committee of the hospital regarding an adverse event concerning patient care to the state department of health or another state agency without violating this section."

Page 5, delete lines 23 through 38.

Page 5, line 42, delete "2007:" and insert "2008:".

Page 6, line 2, delete "where the state department of health determines" and insert "publish the indicators for use by health care facilities.".

Page 6, delete line 3.

Page 6, line 4, after "(b)" insert "The state department of health shall report to the health finance commission established under IC 2-5-23-3 not later than September 1 of each year concerning the implementation of IC 16-40-5, as added by this act.

(c)".

Page 6, line 4, delete "2008." and insert "2009.".

Renumber all SECTIONS consecutively.

(Reference is to SB 207 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 372, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning insurance.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2007] (a) As used in this SECTION, "department" refers to the department of insurance.

(b) As used in this SECTION, "insurer" means an insurer (as defined in IC 27-1-2-3) that issues a policy of accident and sickness insurance.

(c) As used in this SECTION, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1. However, the term does not include a policy described in IC 27-8-5-2.5(a).

(d) As used in this SECTION, "preauthorization" means a determination by:

- (1) an insurer or an insurer's designated representative that a proposed health care service is:

- (A) eligible for coverage; and
- (B) medically necessary; or
- (2) a health maintenance organization that a proposed health care service is:
 - (A) eligible for coverage; and
 - (B) medically necessary.

(e) The department shall study the current preauthorization practices and procedures used by insurers and health maintenance organizations. The department may also study standardization of the following:

- (1) Explanation of benefit forms.
- (2) The length of time that a health care provider has to submit a claim for payment for health care services to an insurer or a health maintenance organization.
- (3) The format, information, and location of information concerning health benefit cards.
- (4) The manner and time frame in which an out of network health care provider is informed by an insurer or a health maintenance organization of the reimbursement rate the health care provider will receive for a CPT code of a health care service for which the health care provider receives preauthorization from the insurer or health maintenance organization.

(f) In conducting the study, the department shall allow representatives of insurers, health maintenance organizations, and health care providers to provide testimony concerning whether the practices and procedures described in subsection (e) require the establishment of standards to ensure uniformity, timely response, and the provision of reasonably sufficient information to health care providers concerning payment of claims.

(g) Before November 1, 2007, the department shall report to the legislative council in an electronic format under IC 5-14-6 concerning the department's findings resulting from the study conducted under this SECTION. The report must include any statutory recommendations that the department considers necessary to address issues studied under this SECTION for which the department does not have current authority to act.

(h) This SECTION expires December 31, 2008.

(Reference is to SB 372 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 577, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-30-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The purpose of this article is to establish lottery games in Indiana that are the best available and that enable the people of Indiana to benefit from

significant additional money:

- (1) to encourage outstanding Indiana students to pursue higher education opportunities within Indiana and to enter Indiana's workforce after graduation;
- (2) to accelerate Indiana's growth by providing grants to state educational institutions to support the recruitment and retention of world class scientists; and
- (3) for capital improvements.

SECTION 2. IC 4-30-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. In construing this article, it is the intent of the general assembly that the following policies be carried out:

(1) That the lottery games be operated ~~by~~ **as provided in this article.**

(2) That the state lottery commission ~~which is~~ created by IC 4-30-3 as a separate body politic and corporate from state government ~~and~~ should function as much as possible as an entrepreneurial business enterprise.

~~(2)~~ (3) That the general assembly recognizes that the operation of a lottery is a unique activity for state government and that policies and procedures appropriate for the performance of other governmental functions are not necessarily appropriate for the operation of a lottery.

~~(3)~~ (4) That the lottery games be operated as a self-supporting revenue raising operation.

~~(4)~~ (5) That the commission be accountable to the general assembly and the people of Indiana through a system of audits and reports and by complying with financial disclosure, open meetings, and public record laws.

~~(5)~~ (6) That the commission ensure the equitable participation of minorities and women in all phases of the lottery, including instant game and online retailers and vendors. The commission shall establish annual goals:

(A) for the use of minority and women's business enterprises (as defined in IC 4-13-16.5-1 and IC 4-13-16.5-1.3) in construction, professional services, other services, and supplies; and

(B) derived from a statistical analysis of utilization study of lottery contracts that are required to be updated every five (5) years.

The commission shall, in cooperation with the Indiana department of administration, adopt rules under IC 4-22-2 to ensure that the goals set under this subdivision are met. **A rule adopted under this subdivision continues to apply if a management agreement is in effect.**

~~(6)~~ (7) That lottery game advertising and promotion shall be consistent with the dignity and integrity of the state.

SECTION 3. IC 4-30-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. "Commission" refers to:

(1) the state lottery commission; or

(2) a successor agency, unless the context clearly denotes otherwise.

SECTION 4. IC 4-30-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. "Director" refers to the director of the commission **or the executive director of a successor agency.**

SECTION 5. IC 4-30-2-3.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 3.2. "Gaming commission" means the Indiana gaming commission established under IC 4-33-3.**

SECTION 6. IC 4-30-2-5.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 5.3. "Management agreement" means an agreement under which a manager will manage the lottery on behalf of the commission.**

SECTION 7. IC 4-30-2-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. "Manager" means an entity formed under IC 4-30-20 that has entered into a management agreement.**

SECTION 8. IC 4-30-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. "Retailer" means a person who sells lottery tickets ~~on behalf of the commission~~ under a contract **with the commission or a manager.****

SECTION 9. IC 4-30-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. "Vendor" means a person who provides or proposes to provide goods or services to the commission **or a manager.** The term does not include an employee of the commission, **a manager**, a retailer, or a state agency.**

SECTION 10. IC 4-30-2-9 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 9. "Video lottery game" means an electronically simulated game of chance that is displayed on the screen or video monitor of a video lottery terminal.**

SECTION 11. IC 4-30-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1. There is created a state lottery commission as a body politic and corporate separate from the state. The commission is composed of five (5) members selected as provided in IC 4-30-4. The commission has the **powers and duties set forth in this article, including the authority to sue and be sued in the name of the commission and to adopt a commission seal and symbol. The commission shall supervise and administer the operation of the Indiana state lottery in accordance with this article.****

SECTION 12. IC 4-30-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4. The commission shall maintain, **or require a manager to maintain,** weekly or more frequent records of lottery transactions, including the distribution of tickets to retailers, revenue received, claims for prizes, prizes paid, and other financial transactions of the ~~commission~~ **lottery.****

SECTION 13. IC 4-30-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6. The commission shall conduct, **or require a manager to conduct,** market research as necessary or appropriate, which may include an analysis of the demographic characteristics of the players of each lottery game and an analysis of advertising, promotion, public relations, incentives, and other aspects of communications.**

SECTION 14. IC 4-30-3-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS**

[EFFECTIVE UPON PASSAGE]: **Sec. 7.5. (a) Except as expressly provided in this article:**

- (1) a rule adopted by the state lottery commission before the effective date of the first management agreement; and**
- (2) a provision in this article that requires the commission to adopt rules;**

do not apply if a management agreement is in effect.

(b) Notwithstanding subsection (a), 65 IAC 1-2 regarding access to public records remains in effect after the effective date of a management agreement until superceded or repealed by a rule adopted by the gaming commission.

SECTION 15. IC 4-30-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) The commission may:**

- (1) promote and advertise the lottery; or**
- (2) authorize a manager to promote and advertise the lottery.**

(b) A promotion may refer to the total lottery prize, even though the prize may be paid over a period of years.

(c) The commission may:

- (1) act as a retailer and conduct promotions involving the dispensing of free lottery tickets; or**
- (2) authorize a manager to act as a retailer and conduct promotions involving the dispensing of free tickets.**

(d) The director may:

- (1) authorize a sales incentive program for employees of the commission for the purpose of increasing the sales volume and distribution of lottery tickets; or**
 - (2) authorize a manager to develop a sales incentive program for:**
 - (A) retailers;**
 - (B) employees of the manager; or**
 - (C) both retailers and employees of the manager;**
- for the purpose of increasing the sales volume and distribution of lottery tickets.**

SECTION 16. IC 4-30-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. The commission may:**

- (1) charge fees; or**
- (2) authorize a manager to charge fees;**

to persons applying for a contract as a vendor or retailer. The fees must be reasonably calculated to cover the costs of investigations and other activities related to the processing of the application.

SECTION 17. IC 4-30-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17. The commission may:**

- (1) enter into contracts; or**
- (2) authorize a manager to enter into contracts;**

with retailers under this article to provide adequate and convenient availability of tickets to the public for each game.

SECTION 18. IC 4-30-3-20 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) This section applies only to contributions made after May 31, 2007.**

(b) The definitions set forth in IC 3-5-2 apply to this section.

(c) As used in this section, "candidate" refers only to the following:

- (1) A candidate for a state office.
- (2) A candidate for a legislative office.
- (3) A candidate for a local office.
- (d) As used in this section, "committee" refers to any of the following:
 - (1) A candidate's committee.
 - (2) A regular party committee.
 - (3) A committee organized by a legislative caucus of the house of the general assembly.
 - (4) A committee organized by a legislative caucus of the senate of the general assembly.
- (e) As used in this section, "officer" refers only to either of the following:
 - (1) An individual listed as an officer of a corporation in the corporation's most recent annual report.
 - (2) An individual who is a successor to an individual described in subdivision (1).
- (f) For purposes of this section, a person is considered to have an interest in a manager if the person satisfies any of the following:
 - (1) The person holds at least a one percent (1%) interest in the manager.
 - (2) The person is an officer of the manager.
 - (3) The person is an officer of a person that holds at least a one percent (1%) interest in the manager.
 - (4) The person is a political action committee of the manager.
- (g) A manager is considered to have made a contribution under this section if a contribution is made by a person who has an interest in the manager.
- (h) A manager or person who has an interest in a manager may not make a contribution to a candidate or a committee during the following periods:
 - (1) The term during which a manager is a party to a management agreement entered into under this article.
 - (2) The three (3) years following the final expiration or termination of the management agreement described in subdivision (1).
- (i) A person who knowingly or intentionally violates this section commits a Class D felony.

SECTION 19. IC 4-30-3-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) On the effective date of the first management agreement entered into under this article, the following apply:

- (1) All powers, duties, and liabilities of the state lottery commission are transferred to the gaming commission as the successor agency, except as otherwise provided in this article.
- (2) All records and property of the state lottery commission, including appropriations and other funds under its control or supervision, are transferred to the gaming commission as the successor agency, except as otherwise provided in this article.
- (3) An amount owed to the state lottery commission before the effective date of the management agreement must be paid to and collected by the gaming commission as the successor agency, except as otherwise provided in the first

management agreement.

(4) A reference to the state lottery commission in a statute, rule, or other document is considered a reference to the gaming commission as the successor agency, unless the context clearly denotes otherwise.

(b) As the successor agency, the gaming commission may employ investigators and other staff necessary to carry out this article. The employees hired by the gaming commission under this article may be the same as the gaming commission's employees hired under IC 4-33.

(c) The gaming commission may exercise any of its powers under this article or IC 4-33 as necessary or desirable for the performance of the gaming commission's duties and the execution of the gaming commission's powers under this article.

SECTION 20. IC 4-30-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Except as provided in subsection (b), the state lottery commission shall oversee the operation of the lottery and serve as a resource group for the director, providing the director with private sector perspectives on the operation of a large marketing enterprise.

(b) If a management agreement is in effect, the gaming commission shall oversee the operation of the lottery, and the state lottery commission shall serve as a resource group for the executive director, providing the executive director of the gaming commission with expertise in lottery operations and private sector perspectives on the operation of a large marketing enterprise.

SECTION 21. IC 4-30-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The state lottery commission, or a member of the state lottery commission may advise the director and make recommendations regarding operations of the lottery and identify potential improvements in this article and in the management of the lottery.

SECTION 22. IC 4-30-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The ~~division of security~~ **commission** shall conduct investigations of vendors, retailers, and employees of the commission, **or a manager**, including applicants for contracts or employment, necessary to ensure the security and integrity of the operation of the lottery. The commission may require persons subject to an investigation to provide any information, including fingerprints, that is needed by the state police department to carry out the investigation or that is otherwise necessary to facilitate access to state and criminal history information.

SECTION 23. IC 4-30-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The state police department shall provide:

- (1) assistance in obtaining criminal history information relevant to investigations required for honest, secure, exemplary lottery operations; and
- (2) any other assistance that may be requested by the ~~director~~ **commission** and agreed to by the superintendent of the state police department.

(b) Any other state agency, including the department of state revenue and the professional licensing agency, shall upon request provide the ~~lottery~~ **commission** with information relevant to an investigation conducted under this article. The commission shall reimburse an agency for the actual cost of providing assistance

under this section.

SECTION 24. IC 4-30-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The division of security shall supervise ticket validation and lottery drawings if a management agreement is not in effect.

SECTION 25. IC 4-30-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) This section does not apply if the commission enters into a management agreement.

(a) (b) After the first full year of ticket sales to the public or sooner if the director considers necessary, the commission shall engage an independent firm experienced in security procedures, including computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the operation of the division of security.

(b) (c) The part of the security report containing the overall evaluation of the commission shall be presented to the commission and the governor. Any part of the security report containing information protected from disclosure by IC 5-14-3 shall not be disclosed by the commission or by the governor.

(c) (d) After the initial security study, similar studies of security shall be conducted as the commission determines to be appropriate but at least once every two (2) years.

SECTION 26. IC 4-30-6-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If the commission enters into a management agreement, the manager shall implement a security program as provided in the management agreement.

(b) After the first anniversary of the effective date of a management agreement, or sooner if the director considers necessary, the commission shall engage an independent firm experienced in security procedures, including computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the manager's lottery operations.

(c) The part of the security report containing the overall evaluation of the manager shall be presented to the commission and the governor. Any part of the security report containing information protected from disclosure by IC 5-14-3 shall not be disclosed by the commission or by the governor.

(d) After the security study described in subsection (b), similar studies of security shall be conducted as the commission determines to be appropriate but at least once every two (2) years.

SECTION 27. IC 4-30-7-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) This section applies to retailer contracts after the effective date of a management agreement.

(b) If:

- (1) an application of an applicant to become a retailer for any type of lottery game is denied;
- (2) an application to renew a retailer contract is denied;
- (3) an application to change ownership or location is denied; or
- (4) the certificate of authority of a retailer is revoked;

by the manager, the retailer or applicant may appeal the decision under rules established by the commission. A decision by the commission or a manager with respect to a retailer contract is not subject to IC 4-21.5.

(c) This section does not prohibit a retailer from continuing to perform under a retailer contract while an appeal is pending. The manager may not delay payment to a retailer of undisputed amounts as a result of the filing of an appeal under rules established by the commission. However, this right to continue to operate does not apply to a retailer if the commission declares in a decision that an emergency exists that requires the immediate termination of the contract and certificate.

SECTION 28. IC 4-30-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission may enter into contracts for the purchase, lease, or lease-purchase of goods or services necessary to carry out this article. The commission may ~~not contract with any person or entity for the total operation and administration of the lottery established by this article;~~ but may enter into contracts and make purchases that integrate functions such as lottery game design, supply of goods and services, and advertisement.

(b) The commission may authorize a manager to:

- (1) enter into contracts for the purchase, lease, or lease-purchase of goods or services necessary to carry out this article; and
- (2) enter into contracts and make purchases that integrate functions, such as lottery game design, supply of goods and services, and advertisement.

Contracts and purchases under this subsection are not subject to IC 5-22.

(b) (c) In all procurement decisions, the director, or the commission, if the commission chooses to make the decision, or a manager, if authorized by the commission, shall take into account the particularly sensitive nature of the lottery and shall consider the competence, quality of product, experience, and timely performance of the vendors in order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery and the objective of raising net revenues for the benefit of the public purposes described in this article.

SECTION 29. IC 4-30-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The ~~division of security~~ commission shall investigate the financial responsibility, security, and integrity of a person who submits a bid, proposal, or offer as part of a major procurement. At a minimum, each person must disclose at the time of submitting a bid, proposal, or offer to the commission or a manager all of the following items:

- (1) A disclosure of the vendor's name and address and the names and addresses of the following:
 - (A) If the vendor is a corporation, the officers, directors, and each stockholder in the corporation, except that in the case of owners of equity securities of a publicly traded corporation only the names and addresses of those known to the corporation to own beneficially at least five percent (5%) in equity securities need be disclosed.
 - (B) If the vendor is a trust, the trustees and all persons entitled to receive income or benefits from the trust.
 - (C) If the vendor is an association, the members, officers, and directors.

(D) If the vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers.

(2) A disclosure of all the states and jurisdictions in which the vendor does business and the nature of that business for each state or jurisdiction.

(3) A disclosure of all the states and jurisdictions in which the vendor has contracts to supply gaming goods or services, including lottery goods and services, and of the nature of the goods and services involved for each state or jurisdiction.

(4) A disclosure of all the states and jurisdictions in which the vendor has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked or terminated a gaming license or contract of any kind and of the disposition in each state or jurisdiction. If a gaming license or contract has been revoked or terminated or has not been renewed or a gaming license application or contract bid has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying this failure to receive a license or contract must be disclosed.

(5) A tax clearance statement from the department of state revenue certifying that the vendor is not on the most recent tax warrant list.

(6) A disclosure of the details of a conviction or judgment of a state or federal court of the vendor of a felony or any other criminal offense other than a traffic violation.

(7) A disclosure of the details of a bankruptcy, an insolvency, a reorganization, or any pending litigation of the vendor.

(8) If a vendor subcontracts part of the work to be performed, the vendor shall disclose all the information required by this chapter for the subcontractor as if the subcontractor were a vendor.

(9) Additional disclosures and information the commission determines appropriate for the procurement involved.

SECTION 30. IC 4-30-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A contract for a major procurement with a vendor that does not comply with the disclosure requirements described in section 2 of this chapter may not be entered into and is not enforceable. A contract with a vendor who does not comply with the requirements for periodically updating the disclosures during the tenure of the contract as specified in the contract may be terminated by the commission **or by the manager**. This section shall be construed broadly and liberally to achieve full disclosure of all information necessary to allow for a full and complete evaluation by the commission of the competence, integrity, background, and character of vendors for major procurement.

SECTION 31. IC 4-30-8.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 8.5. Licensing of Lottery Vendors

Sec. 1. This chapter applies to a major procurement if a management agreement is in effect.

Sec. 2. As used in this chapter, "licensed vendor" means a person issued a vendor's license under this chapter.

Sec. 3. As used in this chapter, "vendor's license" means a license issued by the commission under this chapter.

Sec. 4. (a) A person may not sell, lease, provide, or contract

to sell, lease, or provide any of the following equipment, supplies, or services to a manager unless the person holds a vendor's license:

(1) Printing of tickets to be used in a lottery game.

(2) Consultation services related to the design or operation of games offered in the lottery.

(3) Any goods and services involving any of the following:

(A) The official recording for lottery game play purposes of a player's selection in a lottery game involving player selections.

(B) The receiving of a player's selections directly from a player in a lottery game involving player selections.

(C) The drawing, determination, or generation of winners in lottery games.

(D) The security services required for the operation of the lottery.

(b) Lottery supplies and equipment may not be distributed unless the lottery supplies and equipment conform to standards approved by the director under this chapter.

(c) A person is not required to hold a vendor's license to:

(1) enter into a retailer contract; or

(2) receive a certificate of authority as a retailer;

under IC 4-30-9.

Sec. 5. The commission may issue a vendor's license under this chapter to a person if:

(1) the person has:

(A) applied for the vendor's license;

(B) paid a nonrefundable application fee set by the commission;

(C) paid an annual license fee set by the commission; and

(D) submitted the following on forms provided by the commission:

(i) if the applicant is an individual, two (2) sets of the individual's fingerprints; and

(ii) if the applicant is not an individual, two (2) sets of fingerprints for each officer of the applicant; and

(2) the commission has determined that the applicant is eligible for a vendor's license.

Sec. 6. A person may not receive a vendor's license if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

(3) the person is a member of the state lottery commission or the gaming commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of the lottery; or

(6) a license issued to the person:

(A) under this article or IC 4-33; or

(B) to supply gaming supplies in another jurisdiction; has been revoked.

Sec. 7. The following information submitted, collected, or gathered as part of an application to the commission for a vendor's license is confidential for purposes of IC 5-14-3-4:

- (1) Any information concerning a minor child of an applicant.
- (2) The Social Security number of an applicant or the spouse of an applicant.
- (3) The home telephone number of an applicant or the spouse of an applicant.
- (4) An applicant's birth certificate.
- (5) An applicant's driver's license number.
- (6) The name or address of a previous spouse of the applicant.
- (7) The date of birth of an applicant or the spouse of an applicant.
- (8) The place of birth of an applicant or the spouse of an applicant.
- (9) The personal financial records of an applicant, the spouse of an applicant, or a minor child of an applicant.

Sec. 8. (a) A licensed vendor shall furnish to the commission a list of all equipment, devices, supplies, and services provided to a manager in connection with the lottery authorized under this article.

(b) A licensed vendor shall keep books and records for the furnishing of equipment, devices, supplies, and services to the lottery separate from books and records of any other business operated by the licensed vendor.

(c) A licensed vendor shall file a quarterly return with the commission and the manager listing all sales and leases.

Sec. 9. A licensed vendor's equipment, devices, or supplies that are used by a person in an unauthorized gambling or lottery operation shall be forfeited to the state.

Sec. 10. (a) Unless a person's vendor's license is suspended, expires, or is revoked, the vendor's license may be renewed annually upon:

- (1) the payment of an annual renewal fee set by the commission; and
- (2) a determination by the commission that the licensed vendor is in compliance with this article.

(b) The holder of a vendor's license shall undergo a complete investigation every three (3) years to determine that the licensed vendor is in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate the holder of a vendor's license at any time the commission determines it is necessary to ensure that the licensed vendor is in compliance with this article.

(d) The holder of a vendor's license shall bear the cost of an investigation or reinvestigation of the licensed vendor and any investigation resulting from a potential transfer of ownership.

Sec. 11. If a licensed vendor or an employee of a licensed vendor violates this article or engages in a fraudulent act, the commission may do any combination of the following:

- (1) Suspend, revoke, or restrict the person's vendor's license.
- (2) Require the removal of any employee of a licensed vendor who violates this article or engages in a fraudulent act.

(3) Impose a civil penalty of not more than twenty-five thousand dollars (\$25,000) against a person who has been issued a vendor's license for each violation of this article.

Sec. 12. The commission shall adopt rules to implement this chapter.

SECTION 32. IC 4-30-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission shall adopt rules under IC 4-22-2 specifying the terms and conditions for contracting with retailers who will best serve the public interest and promote the sale of lottery tickets.

(b) If a management agreement is in effect, the gaming commission shall adopt rules governing retailer operations and retailer claims and appeals. IC 5-22 does not apply to the selection of retailers if a management agreement is in effect.

SECTION 33. IC 4-30-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) In the selection of retailers, the commission or a manager shall consider factors such as the following:

- (1) Financial responsibility.
- (2) Integrity.
- (3) Reputation.
- (4) Accessibility of the place of business or activity to the public.
- (5) Security of the premises.
- (6) The sufficiency of existing retailers to serve the public.
- (7) Convenience.
- (8) The projected volume of sales for the lottery game involved.

(b) In consideration of the factors in subsection (a), the commission, or a manager if a management agreement is in effect, may require the information it considers necessary of any person proposing to enter into a retailer's contract. However, the commission may not:

- (1) establish a limitation on the number of retailers; ~~and or~~
- (2) permit a manager to establish a limitation on the number of retailers.

The commission or manager shall make every effort to include small business participation as retailers. Retailer selections shall be based on business considerations and public convenience. Retailers shall be selected without regard to political affiliation.

SECTION 34. IC 4-30-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The commission may not contract with a person as a retailer that:

- (1) is less than eighteen (18) years of age;
- (2) is engaged exclusively in the business of selling lottery tickets, although this subsection does not preclude the commission or a manager from selling lottery tickets;
- (3) is on the most recent tax warrant list provided to the commission or a manager by the department of state revenue;
- (4) has been convicted of, or entered a plea of guilty or nolo contendere to, a felony committed in the preceding ten (10) years, regardless of adjudication, unless the commission determines that:

- (A) the person has been pardoned or the person's civil rights have been restored;
- (B) subsequent to the conviction or entry of the plea the person has engaged in the kind of law abiding commerce

and good citizenship that would reflect well upon the integrity of the lottery; or

(C) if the person is a firm, an association, a partnership, a trust, a corporation, a limited liability company, or other entity, the person has terminated its relationship with the individual whose actions directly contributed to the person's conviction or entry of the plea; or

(5) is:

(A) a department, an agency, a commission, a division, an authority, a board, a bureau, a hospital, or an office of the state, including a state institution of postsecondary education;

(B) an entity that performs an essential governmental function;

(C) part of the judicial department of government;

(D) part of the legislative department of government; or

(E) a political subdivision of the state, including an agency, an authority, a board, a bureau, a commission, a committee, a council, a department, a division, an institution, an office, an officer, or other similar body of a political subdivision.

(b) The commission may not authorize a manager to enter into a retailer's contract with a person described in subsection (a).

SECTION 35. IC 4-30-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. **(a)** The commission shall issue a certificate of authority to each ~~person with whom it contracts as~~ a retailer for purposes of display under section 6 of this chapter. The issuance of a certificate does not confer upon the retailer any right apart from that specifically granted in the contract. The authority to act as a retailer is not assignable or transferable.

(b) The commission may authorize a manager to issue a certificate described in subsection (a) if a management agreement is in effect.

SECTION 36. IC 4-30-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. A contract executed by the commission **or a manager** under this chapter must specify the reasons for a suspension or termination of the contract, ~~by the commission~~, including the following:

- (1) Commission of a violation **of this article or of a rule** adopted under this article.
- (2) Failure to accurately account for lottery tickets, revenues, or prizes as required by the ~~commission~~ **contract**.
- (3) Commission of a fraud, deceit, or misrepresentation.
- (4) Insufficient sale of tickets.
- (5) Conduct prejudicial to public confidence in the lottery.
- (6) A material change in a matter considered by the commission **or a manager** executing the contract with the retailer.

SECTION 37. IC 4-30-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Each retailer shall post and keep conspicuously displayed in a location on the premises accessible to the public the following:

- (1) Its certificate of authority.
- (2) With respect to each game, a statement supplied by the commission **or a manager** of the estimated odds of winning a prize for the game.

SECTION 38. IC 4-30-9-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Before the commission **or a manager** may enter into a contract with a retailer, the retailer must provide a tax clearance statement from the department of state revenue that certifies that the retailer does not owe delinquent state taxes.

SECTION 39. IC 4-30-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. A contract with a retailer may not authorize the sale of lottery tickets at more than one (1) location. The commission, **or the manager if a management agreement is in effect**, may enter into more than one (1) contract with a retailer that has more than one (1) business location. A retailer must have a separate certificate of authority to sell lottery tickets for each business location approved by the commission **or the manager**. A retailer may sell lottery tickets only at the location stated on the certificate of authority.

SECTION 40. IC 4-30-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. With respect to a retailer whose rental payments for premises are contractually computed in whole or in part on the basis of a percentage of retail sales, and where the computation of retail sales is not explicitly defined to include the sale of tickets in a lottery, for purposes of such a computation the amount of retail sales for lottery tickets by the retailer may not exceed the amount of the compensation received by the retailer from the commission **or a manager**.

SECTION 41. IC 4-30-9-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A payment by a retailer to the commission **or a manager** for tickets may not be in cash. All payments must be in the form of a check, bank draft, electronic funds transfer, or other financial instrument ~~authorized by the director~~ **specified by the commission or the manager if a management agreement is in effect**.

SECTION 42. IC 4-30-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. All money received by each retailer from the operation of the lottery, including all ticket sales, interest, gifts, and donations, less the amount retained as compensation for the sale of tickets and the amount paid out as prizes:

- (1)** shall be remitted to the commission or deposited in a public depository, at the times and as directed by the commission; **or**
- (2) if a management agreement is in effect, shall be remitted to the manager or deposited in a public depository in Indiana, at the times and as directed by the manager.**

The commission **or the manager, as the case may be**, is responsible for all administrative functions related to the receipt of funds ~~The commission and~~ may require each retailer to ~~file with the commission~~ **submit** reports of the retailer's receipts and transactions in the sale of lottery tickets in the form and containing the information ~~the commission requires~~ **required by the retailer's contract and by any rules adopted under this article**. The commission **or the manager** may require any person, including a qualified public depository, to perform any function, activity, or services in connection with the operation that the commission **or manager** determines to be advisable under this article. These functions, activities, or services constitute lawful functions,

activities, and services of the person.

SECTION 43. IC 4-30-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The commission **or a manager authorized by the commission** may require retailers to establish separate electronic funds transfer accounts for the purpose of receiving money from ticket sales, making payments to the commission **or manager**, and receiving payments from the commission **or manager, as the case may be.**

SECTION 44. IC 4-30-10-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **(a)** Each retailer is liable to:

- (1) the commission; **or**
- (2) a manager, if a management agreement is in effect;**

for any and all tickets accepted or generated by an employee or representative of that retailer. These tickets are considered to have been purchased by the retailer, unless returned to the commission **or manager** within the time and in the manner prescribed by the ~~commission; retailer's contract or by a rule adopted under this article.~~

(b) All money received by retailers from the sale of lottery tickets, less the amount retained as compensation for the sale of the tickets and the amount paid out as prizes by the retailer, shall be held in trust until its:

- (1) delivery to the commission **or a manager;** or
- (2) electronic transfer to the administrative trust fund.

SECTION 45. IC 4-30-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **Notwithstanding IC 26-1-9.1-406,** the right of any person to a prize is not assignable. A prize may be paid to the estate of a deceased prize winner or to a person designated under an appropriate judicial order.

SECTION 46. IC 4-30-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A prize may not be paid to a person who is less than eighteen (18) years of age unless the winning ticket was lawfully purchased and made a gift to the minor. In that case the commission shall:

- (1) direct the payment to an adult member of the minor's family or the legal guardian of the minor as custodian for the minor; **or**
- (2) require a manager to direct the payment to an adult member of the minor's family or the legal guardian of the minor as custodian for the minor.**

The person named as guardian has the same powers and duties as prescribed for a guardian under Indiana guardianship law.

SECTION 47. IC 4-30-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A prize may not be paid if it arises from tickets that are determined to be:

- (1) stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, or unreadable;
- (2) not received or not recorded by:
 - (A) the commission's applicable deadlines; or**
 - (B) the manager's applicable deadlines, if a management agreement is in effect;**
- (3) lacking in captions that confirm and agree with the lottery play symbols that are appropriate to the lottery game involved; or
- (4) not in compliance with any additional specific rules and

public or confidential validation and security tests of:

- (A) the commission; or**
- (B) the manager, if a management agreement is in effect;**

applicable to the particular lottery game involved.

SECTION 48. IC 4-30-11-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. For the convenience of the public, retailers may be authorized to pay winners an amount not to exceed five hundred ninety-nine dollars (\$599) after performing validation procedures on their premises that are required by:

- (1) the commission; **or**
 - (2) the manager, if a management agreement is in effect;**
- for the lottery game involved.

SECTION 49. IC 4-30-11-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Holders of lottery tickets are entitled to claim prizes for one hundred eighty (180) days after the drawing or at the end of the lottery game play in which the prize was won. ~~However, with respect to a game in which the player may determine instantly if the player has won or lost, the right to claim prizes exists for sixty (60) days after the end of the lottery game. If a valid claim is not made for a prize within the applicable period, the prize is considered an unclaimed prize for purposes of section 9 of this chapter.~~

SECTION 50. IC 4-30-11-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. A prize may not be paid on a ticket that is purchased or sold in violation of this article or to a person who is prohibited from purchasing a lottery ticket under this article. ~~Such a prize is considered an unclaimed prize for purposes of section 9 of this chapter.~~

SECTION 51. IC 4-30-11-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. **(a)** The state lottery commission ~~is and its members and employees are~~ discharged of all liability upon payment of a prize.

(b) If a management agreement is in effect:

- (1) the gaming commission and its members and employees; and**
- (2) the manager and its directors, officers, employees, agents, and equity holders;**

are discharged of all liability upon payment of a prize.

(c) If an annuity is purchased by a manager to cover the payment of a prize and is assigned to a prize winner, the following are relieved of any liability to the prize winner:

- (1) The state.**
- (2) The gaming commission and its members and employees.**
- (3) The manager and its directors, officers, employees, agents, and equity holders.**

SECTION 52. IC 4-30-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a)** The treasurer of state, the department of state revenue, the department of administration, the Indiana department of transportation, the attorney general, and the courts shall identify to the commission, **or to the manager, if a management agreement is in effect,** in the form and format prescribed by the commission and approved by the auditor of state, a person who:

- (1) owes an outstanding debt ~~to~~ to a state agency;
- (2) owes delinquent state taxes; or

(3) owes child support collected and paid to a recipient through a court.

(b) Before the payment of a prize of more than five hundred ninety-nine dollars (\$599) to a claimant identified under subsection (a), the commission **or the manager, if a management agreement is in effect**, shall transmit the prize money to the auditor of state who shall authorize payment of the balance to the prize winner after deduction of the obligation. If a prize winner owes multiple obligations subject to offset under this section and the prize is insufficient to cover all obligations, the amount of the prize shall be applied as follows:

- (1) First, to the child support obligations owed by the prize winner that are collected and paid to a recipient through a court.
- (2) Second, to judgments owed by the prize winner.
- (3) Third, to tax liens owed by the prize winner.
- (4) Fourth, to unsecured debts owed by the prize winner.

Within each of the categories described in subdivisions (1) through (4), the amount and priority of the prize shall be applied in the manner that the auditor of state determines to be appropriate. The commission shall reimburse the auditor of state pursuant to an agreement under IC 4-30-15-5 for the expenses incurred by the auditor of state in carrying out the duties required by this section. **If a management agreement is in effect, the manager shall reimburse the auditor of state for actual expenses incurred by the auditor of state in carrying out the duties required by this section.**

(c) As used in this section, "debt" means an obligation that is ~~evidence~~ **evidenced** by an assessment or lien issued by a state agency, a judgment, or a final order of an administrative agency.

SECTION 53. IC 4-30-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A member or employee of the commission or a relative living in the same household with a member or employee of the commission may not purchase a lottery ticket.

(b) A director, an officer, or an employee of a manager or a relative living in the same household with a director, an officer, or an employee of a manager may not purchase a lottery ticket.

SECTION 54. IC 4-30-12-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. An officer or employee of a vendor that:

- (1) is providing major procurement goods or services to the commission **or a manager**; or
 - (2) has executed a contract for a major procurement;
- or a relative living in the same household with an officer or employee of the vendor may not purchase a lottery ticket.

SECTION 55. IC 4-30-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A person who knowingly:

- (1) sells a lottery ticket and is not authorized by the commission, **a manager**, or this article to engage in such a sale;
 - (2) sells a lottery ticket to a minor; or
 - (3) sells a lottery ticket at a price other than that established by the commission **or a manager**;
- commits a Class A misdemeanor.

SECTION 56. IC 4-30-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. A person who uses point-of-sale material issued by the commission **or a manager** or otherwise represents that the person is a retailer without being under contract with the commission **or a manager** to act as a retailer commits a Class A misdemeanor.

SECTION 57. IC 4-30-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. There is created an administrative trust fund to be administered by the **state lottery** commission in accordance with this article **and any management agreement that is entered into under IC 4-30-21**. All money received by the **state lottery** commission shall be deposited into the fund. All money in the fund is continually appropriated to the **state lottery** commission for the purposes specified in this article.

SECTION 58. IC 4-30-16-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **Subject to the terms of a management agreement**, the money in the administrative trust fund shall be used for the following:

- (1) To pay prizes.
- (2) To pay the expenses for the operation of the lottery, including setting aside an amount determined by the commission to be necessary for the cash flow needs of the commission. These expenses include all costs incurred in the operation and administration of the lottery and all costs resulting from any contracts entered into for the purchase or lease of goods and services required by the lottery, including the following:
 - (A) The compensation paid to retailers.
 - (B) The costs of supplies, materials, tickets, independent audit services, independent studies, data transmission, advertising, promotion, incentives, public relations, communications, security, bonding for retailers, printing, distribution of tickets, and reimbursing other governmental entities for services provided to the lottery.
 - (C) The costs of any other goods and services necessary for carrying out this article.
- (3) To make transfers of the revenue remaining after making the payments necessary under subdivisions (1) and (2) (referred to as "surplus revenue" in this article) to the treasurer of state for deposit as provided in this chapter.

SECTION 59. IC 4-30-16-3, AS AMENDED BY P.L.2-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) **Subject to the terms of a management agreement**, the commission shall transfer the surplus revenue in the administrative trust fund as follows:

- (1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 5-10.4-2), seven million five hundred thousand dollars (\$7,500,000). Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), the money transferred under this subdivision shall be set aside in the pension stabilization fund (IC 5-10.4-2-5) to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 5-10.4-1-12) of the Indiana state teachers' retirement fund.

The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

(2) Before the last business day of January, April, July, and October, the commission shall transfer:

(A) two million five hundred thousand dollars (\$2,500,000) of the surplus revenue to the treasurer of state for deposit in the "k" portion of the pension relief fund (IC 5-10.3-11); and

(B) five million dollars (\$5,000,000) of the surplus revenue to the treasurer of state for deposit in the "m" portion of the pension relief fund (IC 5-10.3-11).

(3) The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers under subdivisions (1) and (2) shall be transferred by the commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) **Subject to the terms of a management agreement**, the commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1) and (a)(2). Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1) and (a)(2) shall be transferred to the build Indiana fund.

SECTION 60. IC 4-30-18-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This article does not authorize any lottery except the lottery operated **under this article**:

(1) by the commission; ~~under this article; or~~

(2) **on behalf of the commission by a manager under a management agreement.**

SECTION 61. IC 4-30-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Local governmental authority concerning all matters relating to the operation of a lottery are preempted by the state, and a county, municipality, or other political subdivision of the state may not enact an ordinance relating to the operation of the lottery authorized by this article. However, this section does not prohibit a political subdivision of the state from requiring a retailer to obtain an occupational license for any business unrelated to the sale of lottery tickets.

(b) **A county, municipality, or another political subdivision may not take any action that would have the effect of impairing a management agreement.**

SECTION 62. IC 4-30-19-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) **If the commission enters into a management agreement under this article, the manager shall undergo an audit of the manager's annual financial statements under the terms of the management agreement.**

(b) **To ensure the integrity of the lottery and compliance with this article and the management agreement, the commission may require, at any time, a special audit of a manager to be conducted by an independent certified public accountant licensed in Indiana. The scope, procedures, and reporting requirements of the audit must be set forth in the management agreement.**

(c) **An audit required by or under this section must be prepared at the expense of the manager.**

SECTION 63. IC 4-30-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 20. Lottery Manager

Sec. 1. **The legislative intent for this chapter is to provide a means for the formation of an entity to serve as a manager of the lottery under a management agreement authorized under this article.**

Sec. 2. **The purpose of an entity formed under this chapter is limited to:**

(1) **entering into and performing a management agreement under this article; and**

(2) **the activities incidental or related to the accomplishment of the purposes permitted under subdivision (1).**

Sec. 3. (a) **One (1) or more persons may form an entity to serve as a manager by filing articles of incorporation with the secretary of state under IC 23-1. An entity formed under this subsection has the powers and privileges of other corporations, except where inconsistent with the provisions and purposes of this article. IC 23-1 applies to an entity formed under this subsection to the extent the provisions do not conflict with this article.**

(b) **One (1) or more persons may form an entity to serve as a manager by filing articles of organization with the secretary of state under IC 23-18. An entity formed under this subsection has the powers and privileges of other limited liability companies and is subject to the duties, restrictions, and liabilities of other limited liability companies, except where inconsistent with the provisions and purposes of this article. IC 23-18 applies to an entity formed under this subsection to the extent the provisions do not conflict with this article.**

SECTION 64. IC 4-30-21 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 21. Lottery Management Agreement

Sec. 1. **In construing this chapter, it is the intent of the general assembly that the manager be accountable to the general assembly and the people of Indiana through a system of audits and reports and by complying with the financial disclosure requirements of this chapter. The powers conferred by this chapter are in addition and supplemental to the powers conferred by any other law. If any other law or rule is inconsistent with this chapter, this chapter is controlling as to any management agreement entered into under this chapter.**

Sec. 2. (a) **This chapter contains full and complete authority for a management agreement between the commission and an entity formed under IC 4-30-20. IC 5-22, IC 4-30-8, and any rules adopted under either of those provisions do not apply to a management agreement under this article, and except as provided in this chapter, no law, procedure, proceeding, publication, notice, consent, approval, order, or act by the commission, the Indiana finance authority, or any other officer, department, agency, or instrumentality of the state or any political subdivision is required for the commission to enter into a management agreement under this article.**

(b) This chapter contains full and complete authority for the state lottery commission or a successor agency to approve any subcontracts entered into by a manager under the terms of a management agreement.

Sec. 3. As used in this chapter, "authority" means the Indiana finance authority established under IC 4-4-11.

Sec. 4. As used in this chapter, "commission" means the state lottery commission.

Sec. 5. As used in this chapter, "control" means the power to exercise authority over or to direct the management and policies of an individual, a business, or any other entity.

Sec. 6. As used in this chapter, "financial statement" means any of the following:

- (1) Balance sheet.
- (2) Income statement.
- (3) Profit and loss statement.
- (4) Statement of cash flow.
- (5) Sources and uses of funds statements.
- (6) Notes to financial statements.

Sec. 7. As used in this chapter, "offeror" means a person that responds to a request for qualifications under this chapter.

Sec. 8. As used in this chapter, "request for qualifications" means all materials and documents prepared by the commission or the authority on behalf of the commission to solicit the following from offerors:

- (1) statements of qualifications; and
- (2) proposals to enter into a management agreement.

Sec. 9. As used in this chapter, "selected offer" means the final offer of an offeror that is the preliminary selection of the authority to be the manager for the lottery under section 19 of this chapter.

Sec. 10. Subject to the other provisions of this chapter, the commission may enter into a management agreement with a manager for an initial term not to exceed thirty (30) years.

Sec. 11. The commission may not enter into a management agreement that authorizes a manager to operate any of the following games or a game simulating any of the following games:

- (1) Keno.
- (2) Video lottery games.
- (3) Pari-mutuel wagering on horse or dog racing.
- (4) A game in which winners are selected on the results of a race or sporting event.
- (5) Any other game commonly considered to be a form of gambling that is not:

- (A) a game; or
- (B) a variation of a game;

that the commission has the authority to approve under this article.

Sec. 12. (a) The management agreement must establish a benchmark amount of at least one billion dollars (\$1,000,000,000). The management agreement must require the manager to make an initial payment to the authority on the effective date of the management agreement in an amount that exceeds the benchmark amount established in the management agreement.

(b) The initial payment required under subsection (a) shall

be deposited in the management agreement fund established by IC 4-30-22.

(c) If the manager fails to make a payment under this section by the due date of the payment, the management agreement is terminated.

Sec. 13. (a) The management agreement must require the manager to pay a royalty in the amount of fifty million dollars (\$50,000,000) to the authority four (4) times each year beginning on a date that is specified in the management agreement and that occurs during the first year after the execution of the management agreement. The payments received under this subsection shall be deposited in the administrative trust fund established by IC 4-30-15-1.

(b) The management agreement may require the manager to pay an additional royalty payment each year to the commission beginning on a date specified in the management agreement if the manager's gross revenues from the sale of lottery tickets in a year exceed the commission's gross revenues from the sale of lottery tickets in the twelve (12) months preceding the date of execution of the management agreement. The payments received under this subsection shall be deposited in the pension relief fund established by IC 5-10.3-11-1.

(c) If the manager fails to make a payment under this section by the due date of the payment, the management agreement is terminated.

Sec. 14. A management agreement must address the following:

- (1) The original term of the management agreement.
- (2) A requirement that the manager be formed under IC 4-30-20.
- (3) A requirement that the manager locate its principal office within Indiana.
- (4) The transition of rights and obligations from the commission to the manager with respect to the operation of the lottery, including:
 - (A) the right to use, or ownership of, equipment and other assets used in the operation of the lottery; and
 - (B) the rights and obligations under contracts with retailers and vendors.
- (5) The implementation of a comprehensive security program by the manager.
- (6) The implementation of a comprehensive system of internal audits.
- (7) The implementation of a program by the manager to curb compulsive gambling by persons playing the lottery.
- (8) A system for determining the following:
 - (A) The type of lottery games to be conducted.
 - (B) The method of selecting winning tickets.
 - (C) The manner of payment of prizes to holders of winning tickets.
 - (D) The frequency of drawings of winning tickets.
 - (E) The method to be used in selling tickets.
- (9) A system for verifying the validity of tickets claimed to be winning tickets.
- (10) The basis upon which retailer fees are established by the manager. Retailer fees may not be less than five percent (5%).
- (11) Minimum payouts.

(12) A requirement that advertising and promotion be consistent with the dignity and integrity of the state.

(13) The establishment of a code of ethics for officers and employees of the manager.

(14) Monitoring of the manager's practices by the commission and the taking of actions by the commission that it considers appropriate to ensure that the manager is in compliance with the terms of the management agreement.

(15) The requirement that the manager periodically file appropriate financial statements in a form and manner acceptable to the commission.

(16) Cash reserve requirements.

(17) Procedural requirements for obtaining approval by the commission when a management agreement, or an interest in a management agreement, is sold, assigned, or otherwise transferred, or pledged as collateral to secure financing. A management agreement, or an interest in a management agreement, may not be sold, assigned, or otherwise transferred, or pledged as collateral to secure financing without the approval of the commission.

(18) Grounds for termination of the management agreement by the commission or a manager.

(19) Procedures for amendment of the management agreement.

(20) A provision prohibiting the commission from entering into another management agreement under this article as long as the management agreement has not been terminated.

(21) The transition of rights and obligations, including any associated equipment or other assets used in the operation of the lottery, from the manager to any successor manager of the lottery, including the commission, following the termination of or foreclosure upon the management agreement.

(22) Ownership of all copyrights, trademarks, and service marks by the commission in the name of the state.

Sec. 15. (a) A manager shall undergo a complete investigation every three (3) years by the commission to determine that the manager remains in compliance with this article and the management agreement.

(b) The manager shall bear the cost of an investigation or reinvestigation of the manager.

Sec. 16. (a) Before the commission enters into a management agreement under this chapter, a request for qualifications must be issued as set forth in this chapter. A request for qualifications for a management agreement may be issued in one (1) or more phases.

(b) A request for qualifications must include the following:

(1) The factors or criteria that will be used in evaluating an offeror's statement of qualifications and proposal.

(2) A statement that a proposal must be accompanied by evidence of the offeror's financial responsibility.

(3) A statement concerning whether discussions may be conducted with the offerors for the purpose of clarification to ensure full understanding of and responsiveness to the solicitation requirements.

(4) A statement concerning any other information to be considered in evaluating the offeror's qualifications and proposal.

(c) Notice of a request for qualifications shall be published two (2) times in accordance with IC 5-3-1 at least one (1) week apart, with the second publication made at least seven (7) days before any initial submission is due.

(d) As provided in a request for qualifications, discussions may be conducted with the offerors for the purpose of clarification to ensure full understanding of and responsiveness to the solicitation requirements.

Sec. 17. (a) The authority may not disclose the contents of proposals during discussions or negotiations with eligible offerors.

(b) The authority may, in its discretion in accordance with IC 5-14-3, treat as confidential all records relating to discussions or negotiations between the authority and eligible offerors if those records are created while discussions or negotiations are in progress.

(c) Notwithstanding subsections (a) and (b), and with the exception of parts that are confidential under IC 5-14-3, the terms of the selected offer negotiated under this article shall be available for inspection and copying under IC 5-14-3 after negotiations with the offerors have been completed.

(d) When disclosing the terms of the selected offer under subsection (c), the authority shall certify that the information being disclosed accurately and completely represents the terms of the selected offer.

(e) The authority shall disclose the contents of all proposals, except the parts of any proposal that may be treated as confidential in accordance with IC 5-14-3, when either:

(1) the request for qualifications process is terminated under section 19 of this chapter; or

(2) the management agreement has been executed and the closing for each financing transaction required to provide funding to carry out the management agreement has been conducted.

Sec. 18. (a) The authority may negotiate with one (1) or more offerors who the authority determines are responsible and reasonably capable of managing the lottery and may seek to obtain a final offer from one (1) or more of those offerors.

(b) The authority shall consider the statement of qualifications and the proposals to enter into a management agreement that are submitted in response to a request for qualifications in making a determination under this section, including the following:

(1) The offeror's expertise, qualifications, competence, skills, and plan to perform its obligations under the management agreement in accordance with the management agreement.

(2) The financial strength of the offeror, including its capitalization and available financial resources.

(3) The experience of the offeror in operating government authorized lotteries and gaming and other similar projects and the quality of the offeror's past or present performance on other similar or equivalent engagements.

(4) The integrity, background, and reputation of the offeror.

(c) The requirements set forth in subsection (b) also apply to the approval of any successor manager.

Sec. 19. (a) After the final offers from offerors have been negotiated under section 18 of this chapter, the authority shall, on behalf of the commission:

- (1) make a preliminary selection of an offeror as a manager for the lottery; or
- (2) terminate the request for qualifications process.

(b) If the authority makes a preliminary selection of a manager under this section, the commission shall schedule a public hearing on the preliminary selection and publish notice of the hearing one (1) time in accordance with IC 5-3-1 at least seven (7) days before the hearing. The notice must include the following:

- (1) The date, time, and place of the hearing.
- (2) The subject matter of the hearing.
- (3) A brief description of the management agreement to be awarded.
- (4) The identity of the offeror that has been preliminarily selected as a manager.
- (5) The address and telephone number of the commission.
- (6) A statement indicating that, subject to section 17 of this chapter, and except for those parts that are confidential under IC 5-14-3, the selected offer and an explanation of the basis upon which the preliminary selection was made are available for public inspection and copying at the principal office of the commission during regular business hours.

(c) Subject to section 17 of this chapter, and except for those parts that are confidential under IC 5-14-3, the selected offer and a written explanation of the basis upon which the preliminary selection was made shall be made available for inspection and copying in accordance with IC 5-14-3 at least seven (7) days before the hearing scheduled under this section.

(d) At the hearing, the commission shall allow the public to be heard on the preliminary selection.

Sec. 20. (a) After the hearing required under section 19 of this chapter, the commission shall determine if a management agreement should be entered with the offeror that submitted the selected offer. If the commission makes a favorable determination, the commission shall submit the determination to the governor and the budget committee.

(b) After review of the commission's determination by the budget committee, the governor may accept or reject the determination of the commission. If the governor accepts the commission's determination, the governor shall designate the offeror who submitted the selected offer as a manager for the lottery. The commission shall publish notice of the designation of a manager for the lottery one (1) time in accordance with IC 5-3-1.

(c) After the governor designates a manager, the commission may execute a management agreement with the designated manager.

(d) If the commission enters into a management agreement under this article, the commission must execute the initial management agreement before January 1, 2009.

Sec. 21. A manager may finance its obligations with respect to the lottery and the management agreement in the amounts

and upon the terms and conditions determined by the manager. However, any bonds, debt, other securities, or other financing issued for the purposes of this section shall not be considered to constitute a debt of the state or any political subdivision of the state or a pledge of the faith and credit of the state or any political subdivision of the state.

Sec. 22. An action to contest the validity of a management agreement entered into under this chapter:

- (1) may not be brought after the fifteenth day following the publication of the notice of the designation of a manager under the management agreement as provided in section 20 of this chapter; and
- (2) is governed by IC 34-13-5.

Sec. 23. (a) The commission and the authority may exercise any powers provided under this chapter in participation or cooperation with each other or any other governmental entity and enter into any contracts to facilitate that participation or cooperation without compliance with any other statute.

(b) The commission and the authority may make and enter into all contracts and agreements necessary or incidental to the performance of the commission's or the authority's duties under this chapter and the execution of the commission's or the authority's powers under this article. These contracts or agreements are not subject to any approvals by any other governmental entity and may be for any term of years and contain any terms that are considered reasonable by the commission or the authority.

(c) The commission and the authority may make and enter into all contracts and agreements with a state agency necessary or incidental to the performance of the duties and the execution of the powers granted to the commission, the authority, or the state agency in accordance with this chapter or the management agreement. These contracts or agreements are not subject to any approvals by any other governmental entity, and may be for any term of years and contain any terms that are considered reasonable by the commission, the authority, or the state agency.

(d) The commission may pay any amounts owed by the commission under a management agreement from any funds available to the commission under this chapter or any other statute.

(e) The commission may borrow money from the authority to pay any amounts owed by the commission or to reimburse funds made available under this section. The loan agreement or financing agreement must plainly state that it is not an indebtedness of the state but constitutes a corporate obligation solely of the commission and is payable solely from revenues of the commission, including money in the administrative trust fund established by IC 4-30-15-1, and the proceeds of future loan agreements or other financing agreements.

Sec. 23.5. (a) The commission may not sell the authorization to operate the lottery.

(b) Any tangible personal property used exclusively in connection with the lottery:

- (1) that is owned by the commission and leased to the manager shall be owned by the commission in the name of the state; and

(2) shall be considered to be public property devoted to an essential public and governmental function.

(c) Any bonds, debt, other securities, or other financing issued by the manager to finance its obligations with respect to the management agreement shall not be considered to constitute a debt of the state or any political subdivision of the state or a pledge of the faith and credit of the state or any political subdivision.

Sec. 24. (a) The authority may exercise any of its powers under IC 4-4-11 or any other law as necessary or desirable for the execution of the authority's powers under this chapter. Notwithstanding any provisions in IC 4-4-10.9 or IC 4-4-11, the authority may issue bonds under IC 4-4-11 or any other statute to make a loan to the commission for:

(1) any amounts owed by the commission; or

(2) funds made available by the commission;

under this chapter.

(b) Subject to review by the budget committee and approval by the budget director, a management agreement, a loan agreement, or any other financing agreement entered into under this chapter may establish a procedure for the commission, the authority, or a person acting on behalf of the commission or the authority to certify to the general assembly the amount needed to pay any amounts owed by the commission or the authority under the management agreement, the loan agreement, or any other financing agreement under this chapter.

Sec. 25. Neither this article nor any management agreement entered into under this article prohibits the general assembly from authorizing forms of gambling that are not in direct competition with the lottery.

Sec. 26. (a) The general assembly finds that it is in the interest of the state of Indiana and the bodies corporate and politic established by state law that the general assembly provide means from time to time to fund and finance payment and reimbursement obligations under contracts and other agreements, including a management agreement, loan agreements, and other financing agreements under this chapter.

(b) In addition to its other purposes, the authority shall exist and operate for the purpose of providing means to finance payment and reimbursement obligations under management agreements, loan agreements, and other financing agreements under this chapter.

SECTION 65. IC 4-30-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 22. Lottery Management Agreement Fund

Sec. 1. As used in this chapter, "account" refers to an account established within the fund.

Sec. 1.5. As used in this chapter, "authority" means the Indiana finance authority established under IC 4-4-11.

Sec. 2. As used in this chapter, "fund" refers to the management agreement fund established by section 3 of this chapter.

Sec. 3. (a) The management agreement fund is established to:

(1) make distributions required under section 5 of this chapter;

(2) pay any amounts owed by the authority in connection

with the execution of a management agreement under IC 4-30-21; and

(3) reimburse the authority for any expenses incurred by the authority in connection with the execution of a management agreement under IC 4-30-21.

(b) The authority shall hold, administer, and manage the fund.

(c) The fund consists of the following:

(1) The initial payment received from a manager under IC 4-30-21-12.

(2) Appropriations, if any, made by the general assembly.

(3) Grants and gifts intended for deposit in the fund.

(4) Interest, premiums, gains, or other earnings on the fund.

(d) The authority shall establish the following separate accounts within the fund:

(1) The lottery payment account.

(2) The administration account.

(e) Money in the fund shall be deposited, paid, and secured in the manner required under IC 4-4-11-32.

(f) The fund is not part of the state treasury and is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

(g) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 4. (a) Before any allocations are made from the fund under this chapter, the authority shall determine the total amount necessary to pay the amounts owed by the authority related to the execution of a management agreement under IC 4-30-21.

(b) Before making the allocations required by section 5 of this chapter, the authority shall allocate the amount determined under subsection (a) to the administration account. Money in the administration account may be used only for the purpose described in section 3(a)(2) or 3(a)(3) of this chapter.

Sec. 5. After making the allocation required under section 4 of this chapter, the remaining money in the fund shall be allocated to the lottery payment account. Within thirty (30) days after a management agreement has been executed under IC 4-30-21 and the closing for each financing transaction required to provide funding to carry out the agreement has been conducted, the authority shall transfer the following from the lottery payment account:

(1) To the Hoosier hope scholarship fund established under IC 21-48-8-1, the lesser of four hundred million dollars (\$400,000,000) or an amount equal to forty percent (40%) of the money in the lottery payment account.

(2) To the Indiana life sciences fund established by IC 5-28-28-6, the lesser of six hundred million dollars (\$600,000,000) or an amount equal to sixty percent (60%) of the money in the lottery payment account.

(3) To the pension relief fund established by IC 5-10.3-11-1, the remainder, if any, of the money in the lottery payment account after making the transfers required by subdivisions (1) and (2). However, if the remainder of the money in the lottery payment account

after making the transfers required by subdivisions (1) and (2) exceeds three hundred million dollars (\$300,000,000), the excess above three hundred million dollars (\$300,000,000) shall be transferred to the state general fund.

SECTION 66. IC 5-10.3-11-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. There is created within the public employees' retirement fund a separate account known as the pension relief fund. This fund is administered by the board of trustees of the public employees' retirement fund, referred to as the "state board" in this chapter. The pension relief fund consists of revenues received under IC 4-30-16-3, IC 6-7-1-28.1(4), IC 7.1-4-12-1, any appropriations to the fund, and earnings on these revenues.

SECTION 67. IC 5-28-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 28. Indiana Life Sciences Fund

Sec. 1. As used in this chapter, "applicant" means a postsecondary research institution that submits an application for a grant from the fund.

Sec. 2. As used in this chapter, "fund" refers to the Indiana life sciences fund established by section 6 of this chapter.

Sec. 3. As used in this chapter, "life sciences" refers to research in biotechnology, biomedicine, medical device technology, pharmaceuticals, biomedical engineering, bioenergetics, health care engineering, nanotechnology within the life sciences field, agri-sciences, and other related health disciplines and disciplines considered life sciences.

Sec. 4. As used in this chapter, "postsecondary research institution" means a public or private college or university in Indiana that offers life sciences graduate programs or life sciences research programs.

Sec. 5. As used in this chapter, "world class scientist" means a principal investigator or researcher who:

- (1) holds an academic appointment;
- (2) has a significant research portfolio and a record of attracting external research support; and
- (3) meets any other criteria established by the board.

Sec. 6. (a) The Indiana life sciences fund is established within the state treasury to provide grants to postsecondary research institutions to support the recruitment and retention of world class scientists in Indiana for the following purposes:

- (1) To strengthen Indiana's economy by focusing investment in life sciences economic clusters that foster high skill, high wage jobs.
- (2) To target state investment in university based research and development through various means, including:
 - (A) matching funds for federal or private research grants or gifts;
 - (B) support for endowed research faculty chairs at postsecondary research institutions; and
 - (C) investment in research facilities, laboratories, and specialized equipment that is conducive to the conducting of the highest quality of scholarship and research in life sciences.
- (3) To stimulate the transfer of research and technology into marketable products.

(4) To enter into a collaborative arrangement with the private sector or another public or private educational institution.

(5) To encourage an environment of innovation and cooperation among Indiana public or private educational institutions, state agencies, and private businesses to promote life sciences research and development activity.

(b) The fund consists of the following:

- (1) Transfers from the lottery management agreement fund under IC 4-30-22-5(2).
- (2) Appropriations from the general assembly.
- (3) Grants and gifts intended for deposit in the fund.
- (4) Interest or other earnings on the fund.

(c) The corporation shall administer the fund. Subject to appropriation by the general assembly, money in the fund may be used to provide grants to postsecondary research institutions to support the recruitment, retention, and ongoing financial support of world class scientists.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

(f) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) All expenditures from the fund are subject to appropriation by the general assembly.

Sec. 7. (a) A postsecondary research institution may apply for one (1) or more grants from the fund.

(b) An application requesting a grant from the fund must be targeted to one (1) or more of the purposes listed in section 6 of this chapter.

(c) A successful applicant for a grant from the fund must meet the requirements of this section, be awarded a grant by the board, and be approved by the budget agency under section 8 of this chapter. An application for a grant from the fund must be made on an application form prescribed by the board. An applicant shall provide all information that the board finds necessary to make the determinations required by this chapter.

(d) All applications for a grant from the fund must include the following:

- (1) A fully elaborated technical research plan that is appropriate for review by outside experts as provided in this chapter.
- (2) A detailed financial analysis that includes the commitment of resources by any other entities that will be involved in the research project.
- (3) A statement of the scientific and commercial potential of the research project.
- (4) A statement of the manner in which support from the fund will lead to significantly increased funding from federal or private sources or from private sector research partners.
- (5) The profile and obligations of the world class scientist that the applicant is seeking to recruit or retain.

(6) Any other information that the board considers appropriate.

(e) An applicant for a grant from the fund may request that certain information that is submitted by the applicant be kept confidential. The board shall make a determination of confidentiality as soon as is practicable. If the board determines that the information should not be kept confidential, the applicant may withdraw the application, and the board must return the information before making it part of any public record.

Sec. 8. (a) The board has the following powers:

- (1) To accept and analyze applications under this chapter.
- (2) To award grants to applicants, subject to review by the budget committee and approval by the budget agency.
- (3) Subject to appropriation by the general assembly, to contract with experts for advice and counsel.
- (4) Subject to appropriation by the general assembly, to employ staff to assist in carrying out this chapter, including providing assistance to applicants who wish to apply for a grant from the fund, analyzing proposals, working with experts engaged by the board, and preparing reports and recommendations for the board.

(b) The board shall consider the following factors in making determinations concerning the award of a grant under this chapter:

- (1) The scientific merit of the proposed research.
- (2) The predicted future success of governmental or private funding for the proposed research.
- (3) The ability of the world class scientist identified in the proposal to generate matching funds and funds for additional research.
- (4) The extent to which the proposal evidences collaboration among two (2) or more postsecondary research institutions, as well as cost sharing and partnership support from the private sector.
- (5) The extent to which the proposal will affect the state's ability to attract external financial support, create jobs, attract and retain businesses, or expand technology transfer opportunities in life sciences.
- (6) The recommendations from the peer review panel that reviews the proposal. The peer review panel shall be chosen by and report to the board. In determining the composition and duties of a peer review panel, the board shall consider the National Institutes of Health and the National Science Foundation peer review processes as models. The members of the panel must have extensive experience in federal research funding. A panel member may not have a relationship with any private entity or academic institution in Indiana that would constitute a conflict of interest for the panel member. A grant from the fund may not be approved by the board unless the grant proposal has received a positive recommendation from a peer review panel described in this subdivision.

(c) The board shall make final funding determinations, subject to review by the budget committee and approval by the budget agency, for applications for grants from the fund in a timely manner that is responsive to recruiting world class scientists.

(d) As a condition of accepting a grant under this chapter, an applicant shall enter into a memorandum of understanding with the board and the budget agency regarding the expenditure of grant funds.

(e) The board shall annually report to the legislative council, in an electronic format under IC 5-14-6, information concerning the amounts, recipients, and subject matters of grants awarded by the board under this chapter.

SECTION 68. IC 6-3-2-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) As used in this section, "scholarship" has the meaning set forth in IC 21-48-1-11.

(b) As used in this section, "recipient" has the meaning set forth in IC 21-48-1-10.

(c) The amount of a recipient's obligation to repay a Hoosier hope grant that is deferred or waived in a particular taxable year under IC 21-48-7 is exempt from the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 as income of the recipient.

SECTION 69. IC 21-48 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 48. HOOSIER HOPE SCHOLARSHIPS AND CRITICAL NEEDS SCHOLARSHIPS

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Academic year" has the meaning set forth in IC 20-12-21-3(1).

Sec. 3. "Authority" means the Indiana finance authority established under IC 4-4-11.

Sec. 4. "Commission" means the state student assistance commission established by IC 20-12-21-4.

Sec. 5. "Eligible institution of higher learning" means:

- (1) a state educational institution (as defined in IC 20-12-0.5-1); or
- (2) a private institution of higher education (as defined in IC 20-12-63-3).

Sec. 6. "Full-time student" means an individual enrolled in an eligible institution of higher learning for at least twelve (12) semester credit hours in each enrollment period of an academic year at a semester based institution, or an equivalent number of hours at an institution using a different grading period.

Sec. 7. "Fund" means the Hoosier hope scholarship fund established by IC 21-48-8-1.

Sec. 8. "Hoosier hope scholar" means an applicant who has been accepted into the Hoosier hope scholars program.

Sec. 9. "Qualified employment" means full-time employment within Indiana as determined under criteria developed by the commission in cooperation with the department of state revenue and the department of workforce development.

Sec. 10. "Recipient" means:

- (1) a Hoosier hope scholar who is awarded a Hoosier hope scholarship under IC 21-48-2; or
- (2) a student who is awarded a:
 - (A) a critical needs nursing faculty scholarship under IC 21-48-4;

- (B) a critical needs math and science teacher scholarship under IC 21-48-5; or
- (C) an additional critical employment needs scholarship under IC 21-48-6.

Sec. 11. "Scholarship" means a scholarship that is:

- (1) awarded under:
 - (A) the Hoosier hope scholars program under IC 21-48-2; or
 - (B) the critical employment needs program under IC 21-48-3, including:
 - (i) a critical needs nursing faculty scholarship under IC 21-48-4;
 - (ii) a critical needs math and science teacher scholarship under IC 21-48-5; or
 - (iii) an additional critical employment needs scholarship under IC 21-48-6; and
- (2) subject to repayment if the recipient does not meet the requirements of this article, including:
 - (A) degree completion;
 - (B) postgraduation employment and residency; and
 - (C) other requirements specified by the commission when awarding a scholarship.

Chapter 2. Hoosier Hope Scholars Program

Sec. 1. As used in this chapter, "applicant" means a student in grade 12 who applies for acceptance into the Hoosier hope scholars program.

Sec. 2. (a) The Hoosier hope scholars program is established.

(b) The commission shall administer the Hoosier hope scholars program.

Sec. 3. (a) To be accepted into the Hoosier hope scholars program, an applicant must:

- (1) be a resident of Indiana as determined by the commission;
- (2) be enrolled in grade 12 or its equivalent at:
 - (A) a public or nonpublic accredited school in Indiana; or
 - (B) a nonaccredited nonpublic school in Indiana;
- (3) be recommended by the student's school corporation of legal settlement if the student is enrolled in a public high school, or qualify as an outstanding scholar under criteria established by the commission if the applicant is enrolled in a nonpublic school;
- (4) intend to pursue a course of study at an eligible institution of higher learning that will lead to a baccalaureate or associate degree;
- (5) intend to reside in Indiana and maintain qualified employment for at least two (2) consecutive years following the attainment of an associate degree or at least four (4) consecutive years following the attainment of a baccalaureate degree;
- (6) submit an application to the commission in the form and manner required by the commission; and
- (7) fulfill any other requirements established by the commission.

(b) Each school corporation in Indiana may recommend one (1) or more students for acceptance into the Hoosier hope scholars program based on the student's level of academic achievement under guidelines developed by the commission.

The guidelines must include SAT or ACT scores and cumulative high school grade point averages, if available.

(c) This subsection applies to school corporations. The commission shall determine the maximum number of students that a school corporation may recommend in a year to receive an initial scholarship based on the senior class enrollment in each high school in the school corporation. The maximum number determined by the commission must be at least the following:

- (1) One (1) scholarship if the senior class enrollment in the high school is not more than one hundred (100) students.
- (2) Two (2) scholarships if the senior class enrollment in the high school is more than one hundred (100) and not more than two hundred (200) students.
- (3) Three (3) scholarships if the senior class enrollment in the high school is more than two hundred (200) and not more than three hundred (300) students.
- (4) Four (4) scholarships if the senior class enrollment in the high school is more than three hundred (300) and not more than four hundred (400) students.
- (5) Five scholarships if the senior class enrollment in the high school is more than four hundred (400) students.

(d) This subsection applies to nonpublic schools. The commission shall establish guidelines for determining:

- (1) whether an applicant enrolled in a nonpublic school is an outstanding scholar, based on the applicant's level of academic achievement; and
- (2) the maximum number of scholarships to be awarded to students attending each nonpublic school.

The guidelines must include SAT or ACT scores and cumulative high school grade point averages, if available.

Sec. 4. An applicant is eligible to receive an initial scholarship in an amount determined under section 6 of this chapter if the applicant:

- (1) enrolls as a full-time student in a baccalaureate or associate degree program at an eligible institution of higher learning in the academic year immediately following the scholar's high school graduation; and
- (2) agrees in writing on a form developed by the commission to reside in Indiana and maintain qualified employment for at least two (2) consecutive years following the attainment of an associate degree or at least four (4) consecutive years following the attainment of a baccalaureate degree.

Sec. 5. A scholarship must be renewed each academic year under procedures developed by the commission. To qualify for a scholarship renewal under this section, a recipient must:

- (1) remain enrolled as a full-time student in a baccalaureate or associate degree program at an eligible institution of higher learning;
- (2) maintain satisfactory progress, as determined by the commission, toward a baccalaureate or associate degree; and
- (3) maintain a cumulative grade point average of:
 - (A) at least 3.0 on a 4.0 grading scale; or
 - (B) an equivalent average as determined by the recipient's eligible institution of higher learning.

Sec. 6. (a) The commission shall determine the amount of each scholarship awarded under this chapter.

(b) Subject to section 9 of this chapter, a Hoosier hope scholar enrolled in an associate degree program at an eligible institution of higher learning may be awarded a scholarship in an amount of up to two thousand five hundred dollars (\$2,500) per academic year for not more than three (3) consecutive academic years. The total amount awarded to an individual recipient under this subsection for all academic years may not exceed five thousand dollars (\$5,000).

(c) Subject to section 9 of this chapter, a Hoosier hope scholar enrolled in a baccalaureate degree program at an eligible institution of higher learning may be awarded a scholarship in an amount of up to five thousand dollars (\$5,000) per academic year for not more than the normal time for completion of the degree, as determined by the commission, plus one (1) year. The total amount awarded to an individual recipient under this subsection for all academic years may not exceed twenty thousand dollars (\$20,000).

(d) Subject to section 9 of this chapter and subsection (g), a Hoosier hope scholar who:

- (1) completes or transfers from an associate degree program at an eligible institution of higher learning; and
- (2) enrolls in a baccalaureate degree program during the next academic year at an eligible institution of higher learning;

may be awarded up to five thousand dollars (\$5,000) per academic year for not more than two (2) consecutive years that the scholar is enrolled in the baccalaureate degree program and eligible to renew a scholarship under this chapter.

(e) The amount of a Hoosier hope scholarship awarded to a recipient in a year may not exceed the cost of attendance at the eligible institution of higher learning where the recipient is enrolled, minus the amount of any other scholarships that the recipient has been awarded.

(f) The amount of any other state financial aid received by a recipient may not be reduced because the recipient receives a Hoosier hope scholarship.

(g) Subject to section 9 of this chapter, the total amount awarded to a Hoosier hope scholar under this chapter may not exceed twenty thousand dollars (\$20,000).

(h) A scholarship awarded under this chapter shall be paid directly by the commission to the eligible institution of higher learning.

Sec. 7. A scholarship may be used by a recipient at any eligible institution of higher learning to defray any qualified higher education expenses (as defined in IC 21-9-2-19.5).

Sec. 8. The commission shall determine the number of scholarships available in an academic year based on appropriations made by the general assembly for this purpose.

Sec. 9. The commission may periodically adjust the maximum amount of individual scholarships under this chapter after review by the budget committee to reflect increased tuition costs at state educational institutions.

Chapter 3. Critical Employment Needs Program

Sec. 1. (a) The critical employment needs program is established.

(b) The commission shall administer the critical employment needs program.

Sec. 2. The commission shall award the following scholarships under the critical employment needs program:

- (1) critical needs nursing faculty scholarships under IC 21-48-4;
- (2) critical needs math and science teacher scholarships under IC 21-48-5; and
- (3) additional critical employment needs scholarships under IC 21-48-6.

Chapter 4. Critical Needs Nursing Faculty Scholarships

Sec. 1. The critical needs nursing faculty scholarship program is established to encourage nursing instruction at eligible institutions of higher learning.

Sec. 2. To initially qualify for a scholarship from the fund, a student must:

- (1) be enrolled in a master's or doctoral degree program at an eligible institution of higher learning;
- (2) be pursuing a course of study that would enable the student, upon graduation, to teach nursing at an eligible institution of higher learning; and
- (3) agree in writing on a form developed by the commission to reside in Indiana and teach nursing at an eligible institution of higher learning for at least three (3) consecutive years following the attainment of a master's or doctoral degree.

Sec. 3. A scholarship must be renewed each academic year under procedures developed by the commission. To qualify for a scholarship renewal under this section, a recipient must:

- (1) comply with the criteria set forth in section 2 of this chapter;
- (2) maintain satisfactory progress, as determined by the commission, toward a master's or a doctoral degree; and
- (3) maintain a cumulative grade point average of:
 - (A) at least 3.0 on a 4.0 grading scale; or
 - (B) an equivalent average as determined by the recipient's eligible institution of higher learning.

Sec. 4. (a) The commission shall determine the amount of each scholarship awarded under this chapter.

(b) A recipient may be awarded a scholarship in an amount of up to five thousand dollars (\$5,000) per academic year in not more than the normal time for completion of the degree, as determined by the commission, plus one (1) year. The total amount of the scholarships awarded to an individual recipient under this subsection for all academic years may not exceed ten thousand dollars (\$10,000).

(c) The amount of a scholarship awarded under this chapter may not exceed the cost of attendance at the eligible institution of higher learning where the recipient is enrolled, minus the amount of any other scholarships that the recipient has been awarded.

(d) The amount of any other state financial aid received by a recipient may not be reduced because the recipient is awarded a scholarship under this chapter.

(e) A scholarship awarded under this chapter shall be paid directly by the commission to the eligible institution of higher learning.

Sec. 5. A scholarship may be used by a recipient at any eligible institution of higher learning to defray any qualified higher education expenses (as defined in IC 21-9-2-19.5).

Sec. 6. The commission shall determine the number of scholarships available in an academic year based on appropriations made by the general assembly for this purpose.

Sec. 7. This chapter expires July 1, 2012.

Chapter 5. Critical Needs Math and Science Teacher Scholarships

Sec. 1. The critical needs math and science teacher scholarship program is established.

Sec. 2. To initially qualify for a scholarship from the fund, a student must:

- (1) be enrolled as a full-time student pursuing a math or science major in a baccalaureate degree program at an eligible institution of higher learning; and
- (2) agree in writing on a form developed by the commission to reside in Indiana and teach math or science courses at a school corporation in Indiana:
 - (A) with a complexity index of 1.2 or higher as determined by the department of education; or
 - (B) that has a disproportionately high at-risk enrollment, as determined by the department of education, if the complexity index is not available or is no longer calculated;

for at least four (4) consecutive years following the attainment of a baccalaureate degree.

Sec. 3. A scholarship must be renewed each academic year under procedures developed by the commission. To qualify for a scholarship renewal under this section, a recipient must:

- (1) comply with the criteria set forth in section 2 of this chapter;
- (2) maintain satisfactory progress, as determined by the commission, toward a baccalaureate degree; and
- (3) maintain a cumulative grade point average of:
 - (A) at least 3.0 on a 4.0 grading scale; or
 - (B) an equivalent average as determined by the recipient's eligible institution of higher learning.

Sec. 4. (a) The commission shall determine the amount of each scholarship awarded under this chapter.

(b) A recipient may be awarded a scholarship in an amount of up to five thousand dollars (\$5,000) per academic year in not more than the normal time for completion of the degree, as determined by the commission, plus one (1) year. The total amount of the scholarships awarded to an individual recipient under this subsection for all academic years may not exceed twenty thousand dollars (\$20,000).

(c) The amount of a scholarship awarded under this chapter may not exceed the cost of attendance at the eligible institution of higher learning where the recipient is enrolled, minus the amount of any other scholarships that the recipient has been awarded.

(d) The amount of any other state financial aid received by a recipient may not be reduced because the recipient is awarded a scholarship under this chapter.

(e) A scholarship awarded under this chapter shall be paid directly by the commission to the eligible institution of higher learning.

Sec. 5. A scholarship may be used by a recipient at any eligible institution of higher learning to defray any qualified higher education expenses (as defined in IC 21-9-2-19.5).

Sec. 6. The commission shall determine the number of scholarships available in an academic year based on appropriations made by the general assembly for this purpose.

Sec. 7. This chapter expires July 1, 2012.

Chapter 6. Additional Critical Employment Needs Scholarships

Sec. 1. The additional critical employment needs scholarship program is established.

Sec. 2. (a) The Indiana economic development corporation and the department of workforce development shall determine if scholarship programs in addition to the critical needs nursing faculty scholarship program under IC 21-48-4 and the critical needs math and science teacher scholarship program under IC 21-48-5 should be established to increase employment in occupations for which there is a critical need in Indiana.

(b) If the Indiana economic development corporation and the department of workforce development determine that scholarships should be awarded under this chapter, the Indiana economic development corporation and the department of workforce development shall submit the proposed scholarship program to the commission and the budget committee for review. After review by the budget committee and approval by the budget agency, the commission may implement the proposed scholarship program.

Sec. 3. To initially qualify for a scholarship from the fund, a student must:

- (1) be enrolled as a full-time student in a baccalaureate degree program at an eligible institution of higher learning;
- (2) be pursuing a course of study that would enable the student, upon graduation, to be employed in an occupation for which the commission and the department have determined there is a critical need in Indiana; and
- (3) agree in writing on a form developed by the commission to reside in Indiana and be employed in the occupation for at least four (4) consecutive years following the attainment of a baccalaureate degree.

Sec. 4. A scholarship must be renewed each academic year under procedures developed by the commission. To qualify for a scholarship renewal under this section, a recipient must:

- (1) comply with the criteria set forth in section 3 of this chapter;
- (2) maintain satisfactory progress, as determined by the commission, toward a baccalaureate degree; and
- (3) maintain a cumulative grade point average of:
 - (A) at least 3.0 on a 4.0 grading scale; or
 - (B) an equivalent average as determined by the recipient's eligible institution of higher learning.

Sec. 5. (a) The commission shall determine the amount of each scholarship awarded under this chapter.

(b) A recipient may be awarded a scholarship in an amount of up to five thousand dollars (\$5,000) per academic year in not more than the normal time for completion of the degree, as determined by the commission, plus one (1) year. The total amount of the scholarships awarded to an individual recipient

under this subsection for all academic years may not exceed twenty thousand dollars (\$20,000).

(c) The amount of a scholarship awarded under this chapter may not exceed the cost of attendance at the eligible institution of higher learning where the recipient is enrolled, minus the amount of any other scholarships that the recipient has been awarded.

(d) The amount of any other state financial aid received by a recipient may not be reduced because the recipient is awarded a scholarship under this chapter.

(e) A scholarship awarded under this chapter shall be paid directly by the commission to the eligible institution of higher learning.

Sec. 6. A scholarship may be used by a recipient at any eligible institution of higher learning to defray any qualified higher education expenses (as defined in IC 21-9-2-19.5).

Sec. 7. The commission shall determine the number of scholarships available in an academic year based on appropriations made by the general assembly for this purpose.

Sec. 8. This chapter expires July 1, 2012.

Chapter 7. Employment Requirements

Sec. 1. As used in this chapter, "qualified employment" means the postgraduate employment requirement accepted by a recipient in writing as a condition of receiving a scholarship under this article.

Sec. 2. (a) Except as otherwise provided in this chapter, a recipient shall repay the commission for the total amount of a scholarship received by the recipient under this article if the recipient does not:

- (1) complete an associate degree, postgraduate degree, or baccalaureate degree within the normal time for completion of the degree, as determined by the commission, plus one (1) year; and
- (2) reside in Indiana upon graduation and maintain qualified employment as required under the terms of the scholarship awarded to the recipient.

(b) For purposes of this chapter, the repayment period begins when a recipient:

- (1) is no longer enrolled in a degree program at an eligible institution of higher learning and has not attained a degree;
- (2) has attained a degree but has not made a good faith effort to comply with the recipient's written commitment to reside in Indiana and maintain qualified employment; or
- (3) has been granted a deferment from the repayment obligation by the commission and has not made a good faith effort to comply with the recipient's written commitment to reside in Indiana and maintain qualified employment upon the termination of the deferral period.

(c) Except as otherwise provided in this chapter, repayment shall be made to the commission within ten (10) years after the repayment period begins and shall follow a repayment schedule established by the commission.

(d) A recipient who is required to repay a scholarship awarded under this article shall be charged interest at a rate determined by the commission. The interest rate charged under this section may not exceed the maximum interest rate for

federal financial aid in effect at the time repayment is due.

(e) The commission may enter into contracts with one (1) or more vendors to assist in collecting any repayment amounts owed under this article.

(f) Amounts collected under this section shall be deposited in the fund.

Sec. 3. (a) The commission may waive or defer repayment in the event of disability, illness, or other extenuating circumstances, as determined by the commission, that prevent the recipient from attaining a degree in the time required under section 2 of this chapter or fulfilling the postgraduate employment requirements under this article.

(b) The commission shall grant a deferment from repayment to:

- (1) a recipient who is assigned military duty;
- (2) a recipient whose spouse is assigned military duty; and
- (3) a recipient who has attained the degree for which the scholarship was awarded but is pursuing post-graduate studies at an Indiana institution of higher learning or an out-of-state institution of higher learning.

(c) In determining the length of a deferment period granted under this section, the commission shall consider each recipient's individual circumstances and ability to comply with the recipient's written commitment. Deferments shall be granted in twelve (12) month increments but may not exceed a total of sixty (60) consecutive months.

(d) A recipient who is seeking a waiver or deferment from the repayment obligation under this section shall demonstrate compliance with the postgraduation employment requirements by submitting a letter from the recipient's employer to the commission, along with any other documentation required by the commission, under procedures developed by the commission. The commission may request assistance from the department of state revenue and the department of workforce development in order to verify that the recipient has complied with the postgraduation employment requirements.

Sec. 4. As provided in IC 6-3-2-21, the amount of a repayment that is waived or deferred under this chapter is exempt from taxation under IC 6-3-1 through IC 6-3-7.

Chapter 8. Hoosier Hope Scholarship Fund

Sec. 1. (a) The Hoosier hope scholarship fund is established within the state treasury to provide scholarships to applicants who qualify under this article.

(b) The fund consists of:

- (1) Amounts transferred from the lottery management agreement fund under IC 4-30-21.
- (2) Appropriations from the general assembly.
- (3) Grants and gifts intended for deposit in the fund.
- (4) Interest or other earnings on the fund.
- (5) Grant repayments or forfeitures under this article.

(c) The commission shall administer the fund. Subject to appropriation by the general assembly, money in the fund may be used to provide scholarships to applicants who qualify under this article.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

(f) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) All expenditures from the fund are subject to appropriation by the general assembly.

SECTION 70. IC 4-30-11-9 IS REPEALED [EFFECTIVE UPON PASSAGE].

SECTION 71. [EFFECTIVE UPON PASSAGE] Notwithstanding IC 4-30-8.5, as added by this act, an unlicensed vendor that:

(1) is awarded a major procurement contract by the commission before the effective date of a management agreement; and

(2) submits an application for a vendor's license; may continue to furnish goods or services for the lottery for not more than one hundred eighty (180) days after the effective date of the management agreement.

SECTION 72. [EFFECTIVE UPON PASSAGE] (a) The definitions set forth in IC 4-30-21, as added by this act, apply to this SECTION.

(b) If the state lottery commission enters into a management agreement under IC 4-30-21, as added by this act, the Indiana gaming commission shall adopt temporary rules to implement this act in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1.

(c) A temporary rule adopted under this SECTION expires on the earliest of the following:

(1) The date that another temporary rule adopted under this SECTION supersedes or repeals the previously adopted temporary rule.

(2) The date that a permanent rule adopted under IC 4-22-2 supersedes or repeals the temporary rule.

(3) The date specified in the temporary rule.

SECTION 73. [EFFECTIVE UPON PASSAGE] The provisions of this act are severable in the manner provided by IC 1-1-1-8(b).

SECTION 74. [EFFECTIVE UPON PASSAGE] (a) The definitions set forth in IC 4-30-21 apply to this SECTION.

(b) Actions taken with respect to:

(1) the issuance of a request for qualifications; and

(2) the determination of responsible and eligible offerors; for a management agreement before the effective date of this act that would have been valid under IC 4-30-21, as added by this act, are legalized and validated.

SECTION 75. An emergency is declared for this act.

Renumeral all SECTIONS consecutively.

(Reference is to SB 577 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 5.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and

Provider Services, to which was referred Senate Bill 152, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass. Committee Vote: Yeas 6, Nays 5.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 194, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 5, after "county" insert "**or in a county adjacent to the county**".

(Reference is to SB 194 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 5, Nays 3.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 525, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Page 1, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 2. IC 6-3.1-28-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) If the amount of the credit determined under this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit. **A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this chapter.**"

Page 2, line 16, after "(\$20,000,000)" insert "**for all taxpayers for all taxable years,**".

Page 2, line 16, after "of" insert "**tax credits for**".

Page 2, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 4. IC 6-3.1-29-15, AS AMENDED BY P.L.122-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) **If the corporation decides to award a tax credit under this chapter to a taxpayer, and** subject to section 16 of this chapter, the amount of the credit to which a taxpayer is entitled for a qualified investment in an integrated coal gasification powerplant is equal to the sum of the following:

(1) Ten percent (10%) of the taxpayer's qualified investment for the first five hundred million dollars (\$500,000,000) invested.

(2) Five percent (5%) of the amount of the taxpayer's qualified investment that exceeds five hundred million dollars (\$500,000,000) only if the facility is dedicated primarily to serving Indiana retail electric utility consumers.

(b) Subject to section 16 of this chapter, the amount of the credit to which a taxpayer is entitled for a qualified investment in a fluidized bed combustion technology is equal to the sum of the following:

(1) Seven percent (7%) of the taxpayer's qualified investment for the first five hundred million dollars (\$500,000,000) invested.

(2) Three percent (3%) of the amount of the taxpayer's qualified investment that exceeds five hundred million dollars (\$500,000,000).

SECTION 5. IC 6-3.1-29-19, AS AMENDED BY P.L.122-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) **If the corporation decides to award a tax credit under this chapter to an applicant,** the corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all the following:

(1) A detailed description of the project that is the subject of the agreement.

(2) The first taxable year for which the credit may be claimed.

(3) The maximum tax credit amount that will be allowed for each taxable year.

(4) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.

(5) If the facility is an integrated coal gasification powerplant, a requirement that the taxpayer shall pay an average wage to its employees at the integrated coal gasification powerplant, other than highly compensated employees, in each taxable year that a tax credit is available, that equals at least one hundred twenty-five percent (125%) of the average county wage in the county in which the integrated coal gasification powerplant is located.

(6) For a project involving a qualified investment in a coal gasification powerplant, a requirement that the taxpayer will maintain at the location where the qualified investment is made, during the term of the tax credit, a total payroll that is at least equal to the payroll that existed on the date that the taxpayer placed the integrated coal gasification powerplant into service.

(7) A requirement that:

(A) one hundred percent (100%) of the coal used:

(i) at the integrated coal gasification powerplant, for a project involving a qualified investment in an integrated coal gasification powerplant; or

(ii) as fuel in a fluidized bed combustion unit, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is dedicated primarily to serving Indiana retail electric utility consumers;

must be Indiana coal; or

(B) seventy-five percent (75%) of the coal used as fuel in a fluidized bed combustion unit must be Indiana coal, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is not dedicated primarily to serving Indiana retail electric utility consumers.

(8) A requirement that the taxpayer obtain from the commission a determination under IC 8-1-8.5-2 that public convenience and necessity require, or will require:

(A) the construction of the taxpayer's integrated coal gasification powerplant, in the case of a project involving a qualified investment in an integrated coal gasification powerplant; or

(B) the installation of the taxpayer's fluidized bed combustion unit, in the case of a project involving a qualified investment in a fluidized bed combustion technology.

(b) A taxpayer must comply with the terms of the agreement described in subsection (a) to receive an annual installment of the tax credit awarded under this chapter. The corporation shall annually determine whether the taxpayer is in compliance with the agreement. If the corporation determines that the taxpayer is in compliance, the corporation shall issue a certificate of compliance to the taxpayer."

Delete pages 3 through 8.

Page 9, delete lines 1 through 2.

Page 9, line 10, after "wood wastes" insert ",".

Page 9, line 10, delete "and residues," and insert "**including wood residues, forest thinnings, mill residue wood, clean construction and demolition waste (but excluding treated or painted lumber),**".

Page 9, line 40, delete "or".

Page 9, line 41, delete "." and insert ";".

Page 9, between lines 41 and 42, begin a new line block indented and insert:

"(5) a corporation organized under IC 8-1-13; or

(6) a corporation organized under IC 23-17-1 that:

(A) is an electric cooperative; and

(B) has at least one (1) member that is a corporation organized under IC 8-1-13."

Page 10, line 5, delete "and".

Page 10, line 6, after ";" insert "**and**".

Page 10, between lines 6 and 7, begin a new line block indented and insert:

"(4) IC 6-2.3 (the utility receipts tax);"

Page 10, line 16, delete "office;" and insert "**corporation;**".

Page 10, between lines 32 and 33, begin a new line block indented and insert:

"(4) Against the taxpayer's liability incurred under IC 6-2.3 (the utility receipts tax)."

Page 10, line 33, delete "The" and insert "**(a) If the corporation decides to award a tax credit under this chapter to a taxpayer, the**".

Page 10, line 33, after "which" delete "a" and insert "**the**".

Page 10, line 34, delete "lesser of the following:" and insert "**product of:**

- (1) the amount of the taxpayer's qualified investment; multiplied by
- (2) ten percent (10%).

(b) The total amount of tax credits awarded under this chapter may not exceed fifty million dollars (\$50,000,000) for all taxpayers and all taxable years."

Page 10, delete lines 35 through 39.

Page 11, between lines 6 and 7, begin a new paragraph and insert:

"(c) If the credit allowed by this chapter is available to a member of an affiliated group of corporations filing a consolidated return under IC 6-2.3-6-5 or IC 6-3.4-14, the credit shall be applied against the state tax liability of the affiliated group."

Page 11, delete lines 14 through 15, begin a new line block indented and insert:

"(2) in the case of a pass through entity described in:

(A) section 7(1), 7(2), 7(3), or 7(4) of this chapter, the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled; or

(B) section 7(5) or 7(6) of this chapter, the relative percentage of the corporation's patronage dividends allocable to the member for the taxable year."

Page 11, line 28, delete "person" and insert "A taxpayer".

Page 11, line 39, delete "The" and insert "If the corporation decides to award a tax credit under this chapter to an applicant, the".

Page 11, line 40, delete "an" and insert "the".

Page 11, line 40, after "applicant" insert ".".

Page 11, line 40, delete "that is awarded a credit under this chapter."

Page 12, line 32, delete "19." and insert "20."

Page 12, line 36, delete "18" and insert "19".

Page 12, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 10. IC 8-1-8.8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) As used in this chapter, "renewable energy resources" means alternative sources of renewable energy, including the following:

- (1) Energy from wind.
- (2) Solar energy.
- (3) Photovoltaic cells and panels.
- (4) Dedicated crops grown for energy production.
- (5) ~~Organic waste~~ Biomass (as defined by IC 6-3.1-34-1).
- (6) Hydropower from existing dams.
- (7) Fuel cells.
- (8) Energy from waste to energy facilities producing steam not used for the production of electricity.

(b) Except for energy described in subsection (a)(8), the term does not include energy from the incinerations, burning, or heating of any of the following:

- (1) Waste wood.
- (2) Tires.
- (3) General household, institutional, commercial, industrial lunchroom, office, or landscape waste.
- (4) Construction or demolition debris."

Delete pages 13 through 14.

Page 15, delete lines 1 through 3.

Page 15, line 7, delete "IC 6-3.1-31, IC 6-3.1-32, IC 6-3.1-33, and".

Page 15, line 7, delete "all".

Page 15, line 8, delete "apply" and insert "applies".

Renumber all SECTIONS consecutively.

(Reference is to SB 525 as printed February 2, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill 88, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-10.2-2-11, AS AMENDED BY P.L.246-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) Based on the actuarial investigation and valuation in section 9 of this chapter, each board shall determine:

- (1) the normal contribution for the employer, which is the amount necessary to fund the pension portion of the retirement benefit;
- (2) the rate of normal contribution;
- (3) the unfunded accrued liability of the public employees' retirement fund, the pre-1996 account, and the 1996 account, which is the excess of total accrued liability over the fund's or account's total assets, respectively; and
- (4) the rates of contribution for the state expressed as a proportion of compensation of members, which would be necessary to:

- (A) amortize the unfunded accrued liability of the state for thirty (30) years or for a shorter time period requested by the budget agency or the governor; and
- (B) prevent the state's unfunded accrued liability from increasing.

(b) Based on the information in subsection (a), each board may determine, in its sole discretion, contributions and contribution rates for individual employers or for a group of employers.

(c) The board's determinations under subsection (a):

- (1) are subject to section 1.5 of this chapter; and
- (2) for an employer making a contribution to the Indiana state teachers' retirement fund, may not include an amount for a retired member of the Indiana state teachers' retirement fund for whom the employer may not make contributions during the member's period of reemployment as provided under IC 5-10.2-4-8(e).

SECTION 2. IC 5-10.2-3-1, AS AMENDED BY P.L.2-2006, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Except as provided

under IC 5-10.2-4-8(e), each member's creditable service, for the purpose of computing benefits under this article, consists of all service in a position covered by a retirement fund plus all other service for which the retirement fund law gives credit.

(b) No member may be required to pay any contributions for service before the member is covered by this article as a condition precedent to receiving benefits under this article. However, the member must furnish proof of the service to the board of the fund under which the member claims service.

(c) A member who has past service as an employee of the state or a participating political subdivision in a position which was not covered by the retirement fund is entitled to credit for this service if the position becomes covered before January 1, 1985, by the Indiana state teachers' retirement fund, the public employees' retirement fund, or the retirement fund for the state board of accounts and if the member submits proof of the service to the secretary of the fund in which the member claims service.

(d) A member who has past service in a position that was not covered by the retirement fund is entitled to credit for this service if the position becomes covered after December 31, 1984, by a fund while the member holds that position or another position with the same employer and if the member submits proof of the service to the director of the fund in which the member claims service.

(e) The proof required by this section must:

- (1) be submitted in a form approved by the director;
- (2) contain dates and nature of service and other information required by the director; and
- (3) be certified by the governing body or its agent.

(f) A member who is a state employee is entitled to service credit for the time the member is receiving disability benefits under a disability plan established under IC 5-10-8-7.

(g) If a participant in the legislators' defined benefit plan does not become entitled to a benefit from that plan, the PERF board or the TRF board shall include the participant's service in the general assembly in the determination of eligibility for, and computation of, benefits under PERF or TRF at the time the participant would be eligible to receive benefits under PERF or TRF. After benefits commence under PERF or TRF with the general assembly service included, the participant's general assembly service may not be used for the computation of benefits under IC 2-3-5-4.

(h) A member may receive service credit for all or a part of the member's creditable service in another governmental retirement plan under IC 5-10.3-7-4.5 and IC 5-10.4-4-4. A member may not receive credit for service for which the member receives service credit in another retirement plan maintained by a state, a political subdivision, or an instrumentality of the state for service that PERF or TRF would otherwise give credit.

(i) A member may use all or a part of the member's creditable service under PERF or TRF in another governmental retirement plan under the terms of the other plan. Creditable service used under the other governmental retirement plan may not be used in PERF or TRF.

SECTION 3. IC 5-10.2-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Subject to IC 5-10.2-2-1.5, as used in this section, "compensation" means:

- (1) the basic salary earned by and paid to the member; plus
- (2) the amount that would have been a part of the basic salary

earned and paid except for the member's salary reduction agreement established under Section 125, 403(b), or 457 of the Internal Revenue Code.

(b) Except in cases where:

- (1) the contribution is made on behalf of the member; or
- (2) **a retired member of the Indiana state teachers' retirement fund may not make contributions during a period of reemployment as provided under IC 5-10.2-4-8(e);**

each member shall, as a condition of employment, contribute to the fund three percent (3%) of his compensation.

(c) **Except as provided under IC 5-10.2-4-8(e)**, a member of a fund may make contributions to the member's annuity savings account in addition to the contributions required under subsection (b). The total amount of contributions that may be made to a member's annuity savings account with respect to a payroll period under this subsection may not exceed ten percent (10%) of the member's compensation for that payroll period. The contributions made under this subsection may be picked-up and paid by an employer as provided in subsection (d).

(d) In compliance with rules adopted by each board, an employer, under Section 414(h)(2) of the Internal Revenue Code, may pick-up and pay the contributions under subsection (c), subject to approval of the board and to the board's receipt of a favorable private letter ruling from the Internal Revenue Service. The employer shall reduce the member's compensation by an amount equal to the amount of the member's contributions under subsection (c) that are picked-up by the employer. Each board shall by rule establish the procedural requirements for employers to carry out the pick-up in compliance with Section 414(h)(2) of the Internal Revenue Code.

(e) A member's contributions and interest credits belong to the member and do not belong to the state or political subdivision.

SECTION 4. IC 5-10.2-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. **(a) This section does not apply to a member of the Indiana state teachers' retirement fund who, after June 30, 2007, is reemployed more than ninety (90) days after the member's retirement in a position covered by the Indiana state teachers' retirement fund.**

~~(a)~~ (b) Members' contributions, other than members' contributions paid on behalf of a net member, shall be deducted from their compensation even if the net compensation to the member is less than the statutory minimum.

~~(b)~~ (c) The payment of a member's compensation minus the deduction constitutes a complete discharge of all claims for services rendered by the member during the period covered by the payment, except the claim for benefits under this article.

SECTION 5. IC 5-10.2-4-8, AS AMENDED BY P.L.62-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.(a) As used in this section, "exempt amount" means, in the case of a member who has not attained the Social Security normal retirement age for unreduced benefits, thirty-five thousand dollars (\$35,000), computed for the calendar year in which a retired public employees' retirement fund member is reemployed and computed for the fiscal year in which a retired teachers' retirement fund member is reemployed.

(b) This subsection does not apply to a member who is employed by the department of education **or after June 30, 2007, to a**

member of the Indiana state teachers' retirement fund who is reemployed more than ninety (90) days after the member's retirement in a position covered by the Indiana state teachers' retirement fund. If a member who is receiving retirement benefits and who has not attained the Social Security normal retirement age for unreduced benefits:

- (1) becomes reemployed in a position covered by this article; and
- (2) earns in that position more than the exempt amount;

his retirement benefit payments shall stop, and the member shall begin making contributions as required in IC 5-10.2-3-2. However, employer contributions shall be made throughout the period of reemployment. The earnings limitation under this subsection does not apply to a member who has attained the Social Security normal retirement age for unreduced benefits.

(c) If a member who is receiving retirement benefits is reemployed in a position covered by this article not more than ninety (90) days after the member's retirement, the member's retirement benefits shall stop, the member shall begin making contributions as required by IC 5-10.2-3-2, and employer contributions shall be made throughout the period of reemployment.

(d) This subsection does not apply after June 30, 2007, to a member of the Indiana state teachers' retirement fund who is reemployed more than ninety (90) days after the member's retirement in a position covered by the Indiana state teachers' retirement fund. If a retired member is reemployed in a position covered by this article, section 10 of this chapter applies to the member upon the member's retirement from reemployment.

(e) The following apply to a member of the Indiana state teachers' retirement fund who, after June 30, 2007, is reemployed more than ninety (90) days after the member's retirement in a position covered by the Indiana state teachers' retirement fund:

- (1) The member's retirement benefit payments continue during the member's period of reemployment without regard to the amount of the member's earnings from the covered position.**
- (2) The member may not make contributions under IC 5-10.2-3-2 or IC 5-10.4-4-11 during the member's period of reemployment.**
- (3) The member's employer may not make contributions under IC 5-10.2-2-11 or IC 5-10.4-4-11 for or on behalf of the member during the member's period of reemployment.**
- (4) The member does not earn creditable service under IC 5-10.2-3-1 for the member's period of reemployment.**
- (5) The member is not entitled to an additional benefit under sections 9 and 10 of this chapter for the member's period of reemployment.**

SECTION 6. IC 5-10.2-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. **(a) This section does not apply after June 30, 2007, to a member of the Indiana state teachers' retirement fund who is reemployed more than ninety (90) days after the member's retirement in a position covered by the Indiana state teachers' retirement fund.**

(b) If a member dies during reemployment and retirement benefits from before his reemployment are payable after his death, the payment of these amounts shall be made without change, and

any additional benefit earned during reemployment shall be paid as provided in section 10 of this chapter.

SECTION 7. IC 5-10.2-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. **(a) This section does not apply after June 30, 2007, to a member of the Indiana state teachers' retirement fund who is reemployed more than ninety (90) days after the member's retirement in a position covered by the Indiana state teachers' retirement fund.**

(a) (b) Benefits provided under this section are subject to IC 5-10.2-2-1.5.

(b) (c) Upon termination of reemployment, except by death, the retirement benefits from before the member's reemployment which are payable after termination shall be paid without change.

(c) (d) If the member is reemployed for fewer than ninety (90) consecutive school or working days, upon termination of reemployment, contributions and interest credited to the member's annuity savings account shall be paid to the member.

(d) (e) If the member is reemployed for ninety (90) or more consecutive school or working days, upon termination of reemployment, the member shall receive an additional benefit.

(e) (f) The additional retirement benefit consists of the sum of a supplemental pension and a supplemental annuity. The supplemental pension is computed under section 4 of this chapter using the member's:

- (1) years of service during the member's reemployment; and
- (2) average compensation during the member's reemployment, if the member is reemployed for less than five (5) years, or average of the annual compensation (as defined in section 3 of this chapter) during the member's reemployment.

If the member is entitled to a supplemental annuity, it consists of an annuity provided by contributions and interest credited to the member during reemployment, if any.

(f) (g) The additional retirement benefits are guaranteed for five (5) years or until the member's death, whichever is later. The member may choose instead of the guaranteed payments any of the options under section 7 of this chapter for the payment of the member's additional retirement benefits.

(g) (h) IC 5-10.2-2-7 applies to additional retirement benefits.

SECTION 8. IC 5-10.4-4-11, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. **(a) This section does not apply after June 30, 2007, to a member who is reemployed more than ninety (90) days after the member's retirement in a position covered by the fund.**

(a) (b) Each member shall contribute to the fund three percent (3%) of the member's compensation as set forth in IC 5-10.2-3. However, the member's employer may pay the contribution on behalf of the member.

(b) (c) If a member's employer elects to pay the members' contributions for its employees, the employer must initiate the payments as part of salary and fringe benefit adjustments provided to these employees.

SECTION 9. IC 5-10.4-5-13, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. **(a)** IC 5-10.2-4-8, IC 5-10.2-4-9, and IC 5-10.2-4-10 apply to the reemployment of a retired member.

(b) **This subsection does not apply after June 30, 2007, to a member who is reemployed more than ninety (90) days after the member's retirement in a position covered by the fund.** For a retired member who withdraws from retirement status, resumes teaching, and again retires, the board shall pay the member, after the member's second or subsequent retirement, a monthly retirement benefit at least equal to the highest amount the retired member has received as a retirement benefit.

SECTION 10. IC 5-10.4-7-1, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The administrative officers of a school corporation or other institution covered by the fund shall:

- (1) notify each person to be employed in a teaching position that the person's obligations under this article are a condition of employment; and
- (2) make the obligations a part of the teacher's contract.

(b) Except in cases where:

- (1) the contribution is made on behalf of the member; or
- (2) **a retired member of the Indiana state teachers' retirement fund may not make contributions during a period of reemployment as provided under IC 5-10.2-4-8(e);**

a teacher's contract shall be construed to require the deduction of contributions to meet the teachers' contractual obligations to the fund and the state.

SECTION 11. IC 5-10.4-7-3, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Unless the member's contribution is made on behalf of the member **or the member is a retired member who may not make contributions during a period of reemployment as provided under IC 5-10.2-4-8(e),** the treasurer of a school corporation, the township trustee, or the appropriate officer of any other institution covered by the fund shall:

- (1) deduct from each member's salary the member's contribution for the fund; and
- (2) issue to each member, on behalf of the board, a statement for each contribution deducted.

(b) The statement described in subsection (a)(2) is evidence that the member has credit from the fund for payment of the stated contribution.

SECTION 12. IC 5-10.4-7-7, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) Not later than January 15, April 15, July 15, and October 15 of each year, the treasurer of a school corporation, the township trustee, or the appropriate officer of any other institution covered by the fund shall make a report to the board on a form furnished by the board and within the time set by the board. Amendatory reports to correct errors or omissions may be required and made.

(b) The report required by subsection (a) must include:

- (1) the name of each member employed in the preceding reporting period, except substitute teachers;
- (2) the total salary and other compensation paid for personal services to each member in the reporting period;
- (3) the sum of contributions made for or by each member, **except for a retired member who may not make**

contributions during a period of reemployment as provided under IC 5-10.2-4-8(e);

(4) the sum of employer contributions made by the school corporation or other institution, **except for a retired member for whom or on whose behalf an employer may not make contributions during a period of reemployment as provided under IC 5-10.2-4-8(e);**

(5) the number of days each member received salary or other compensation for teaching services; and

(6) any other information that the board determines necessary for the effective management of the fund.

(c) As often as the board determines necessary, the board may review or cause to be reviewed the pertinent records of any public entity contributing to the fund under this article.

(Reference is to SB 88 as printed January 30, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

KRUSE, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill 561, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "16.5" and insert "**16.5(d)**".

Page 1, line 11, delete "16.5" and insert "**16.5(d)**".

Page 2, line 13, delete "16.5" and insert "**16.5(d)**".

Page 2, line 18, delete "16.5" and insert "**16.5(d)**".

Page 2, line 22, delete "16.5" and insert "**16.5(d)**".

Page 2, line 27, delete "16.5" and insert "**16.5(d)**".

Page 3, line 13, delete "16.5" and insert "**16.5(d)**".

Page 3, line 24, delete "16.5" and insert "**16.5(d)**".

Page 3, line 35, delete "who retires after June 30, 2007," and insert "**of the 1977 fund who becomes disabled after December 31, 2005,**".

Page 4, delete lines 14 through 18.

Page 4, delete lines 21 through 42.

Page 5, delete lines 1 through 3.

Renumber all SECTIONS consecutively.

(Reference is to SB 561 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

KRUSE, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill 537, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, delete lines 23 through 42.

Delete pages 3 through 19.

Renumber all SECTIONS consecutively.

(Reference is to SB 537 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 7, Nays 1.

KRUSE, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 208, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-10-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "designee" refers to an ~~individual who~~ **entity that** is designated by the ~~director of the agency under section 27 of this chapter.~~ **division.**"

Page 1, line 2, after "individual" insert ":"

Page 1, line 2, strike "who".

Page 1, strike line 3.

Page 1, line 8, reset in roman "may".

Page 1, line 9, reset in roman "be".

Page 1, line 9, delete "is".

Page 1, line 9, delete "."

Page 1, line 9, reset in roman "under IC 12-15-21-1 through".

Page 1, reset in roman line 10.

Page 1, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 3. IC 12-10-12-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) An individual or the individual's parent or guardian, if the individual is not competent, who is required to be screened and approved under this chapter shall apply to ~~the agency serving the county of the individual's residence in the manner and location required by the~~ **division** for participation in a nursing facility preadmission screening program.

(b) The individual or the individual's parent or guardian if the individual is not competent shall provide the ~~agency with the~~ following:

(1) The individual's name.

(2) The address of the place where the screening team described in section 14 of this chapter may contact the individual.

SECTION 4. IC 12-10-12-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) The notification required under section 8 of this chapter must notify the applicant of the following:

(1) That the applicant is required under state law to apply to ~~the agency serving the county of the applicant's residence~~ for participation in a nursing facility preadmission screening program.

(2) That the applicant's failure to participate in the nursing facility preadmission screening program could result in the applicant's ineligibility for Medicaid reimbursement for per diem in any nursing facility for not more than one (1) year.

(3) That the nursing facility preadmission screening program consists of an assessment of the applicant's need for care in a nursing facility made by a team of individuals familiar with the needs of individuals seeking admission to nursing facilities.

(b) The notification must be signed by the applicant or the applicant's parent or guardian if the applicant is not competent before admission.

(c) If the applicant is admitted:

(1) the nursing facility shall retain one (1) signed copy of the notification for one (1) year; and

(2) the nursing facility shall deliver one (1) signed copy to the ~~agency serving the county in which the applicant resides.~~ **division or the division's designee.**

(d) A person who violates this section commits a Class A infraction.

SECTION 5. IC 12-10-12-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) A screening team must consist of two (2) members.

(b) An applicant's physician shall participate as a member of the screening team.

(c) ~~The agency that serves the county of the applicant's residence shall, subject to the approval of the division, or the division's designee subject to the approval of the division, shall also~~ appoint an individual who

~~(1) represents the agency serving the area in which the applicant's residence is located; and~~

~~(2) is familiar with personal care assessment.~~

(d) ~~The agency shall, division, or the division's designee~~ subject to the approval of the division, ~~shall~~ appoint one (1) of the individuals under subsection (c) to be the coordinator."

Page 1, line 15, reset in roman "only".

Page 2, delete lines 4 through 19, begin a new paragraph and insert:

"SECTION 6. IC 12-10-12-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) ~~The agency~~ **division or the division's designee** shall provide the applicant with a written notice of the office's determination made under section 18 of this chapter if the placement is appropriate. The office shall provide written notice of a determination made under section 16 of this chapter when placement in a nursing facility is denied.

(b) If the office determines that an individual's placement in a nursing facility is not appropriate, the written notice must contain the following:

(1) The reasons for the office's determination.

(2) A detailed description of services available to the individual that, if used by the individual, make the placement of the individual in a nursing facility inappropriate."

Page 2, delete lines 41 through 42, begin a new paragraph and insert:

"SECTION 8. IC 12-10-12-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27. (a) ~~The agency shall, subject to the approval of the division may~~ designate at least one (1) individual who may authorize temporary admittance to a nursing facility under:

(1) subsection (b); and

(2) sections 28, 30, and 31 of this chapter; without the approval required under this chapter.

(b) An individual designated under subsection (a) may authorize temporary admittance to a nursing home for a resident of Indiana if the resident:

- (1) has received treatment from and is being discharged from a hospital that is located in a state other than Indiana; and
- (2) will be participating in preadmission screening under this chapter.

(c) Notwithstanding a rule adopted under section 12 of this chapter, a screening team appointed to screen a nonresident under this section must:

- (1) conduct its assessment under section 16 of this chapter; and
- (2) report its findings;

within ten (10) days after its appointment.

SECTION 9. IC 12-10-12-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 30. (a) An individual may be admitted to a nursing facility if the **division or the division's** designee determines that it is probable that the individual will be discharged from the nursing facility within thirty (30) days of the individual's admission.

(b) If the individual:

- (1) desires to remain in a nursing facility for more than thirty (30) days; and
- (2) applies for approval under this chapter before the expiration of the thirty (30) days;

the individual has an additional twenty-five (25) days in which to obtain the approval.

SECTION 10. IC 12-10-12-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 31. An individual who has applied for approval under this chapter may be admitted before approval is granted if the **division or the division's** designee determines that there will be serious harm to the physical or mental health of the individual if the individual is required to wait for approval.

SECTION 11. IC 12-10-12-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 33. If an individual:

- (1) does not participate in the health facility preadmission screening program described in this chapter; or
- (2) participates in the health facility preadmission screening program described in this chapter and is notified under section 20 of this chapter that the individual's placement in a health facility is not appropriate;

the individual is not eligible for assistance under the federal Medicaid program (42 U.S.C. 1396 et seq.) for the payment of any part of the cost per diem provided to the individual in a part of a health facility ~~certified as an intermediate care facility~~ for one (1) year after the date of the individual's admission to the health facility.

SECTION 12. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 12-10-12-1; IC 12-10-12-34."

Renumber all SECTIONS consecutively.

(Reference is to SB 208 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 2.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 445, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 33-42-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) A notary public may not do any of the following:

- (1) Use any other name or initial in signing acknowledgments, other than that by which the notary has been commissioned.
- (2) Acknowledge any instrument in which the notary's name appears as a party to the transaction.
- (3) Take the acknowledgment of or administer an oath to any person whom the notary actually knows:
 - (A) has been adjudged mentally incompetent by a court; and
 - (B) to be under a guardianship under IC 29-3 at the time the notary takes the acknowledgment or administers the oath.
- (4) Take the acknowledgment of any person who is blind, without first reading the instrument to the blind person.
- (5) Take the acknowledgment of any person who does not speak or understand the English language, unless the nature and effect of the instrument to be notarized is translated into a language which the person does speak or understand.
- (6) Acknowledge the execution of:
 - (A) an affidavit, unless the affiant acknowledges the truth of the statements in the affidavit; or
 - (B) an instrument, unless the person who executed the instrument:
 - (i) signs the instrument before the notary; or
 - (ii) affirms to the notary that the signature on the instrument is the person's own.

(b) **Except as provided in subsection (d)**, if a notary public violates this article, the notary's appointment may be revoked by the judge of the circuit court in which the notary resides.

(c) The secretary of state may:

- (1) investigate any possible violation of this section **or of section 10 of this chapter (notario publico deception)** by a notary public; and
- (2) under IC 4-21.5, revoke the commission of a notary public who violates this section **or section 10 of this chapter (notario publico deception)**.

If the secretary of state revokes the commission of a notary public, the notary public may not reapply for a new commission for five (5) years after the revocation. **If a notary public has been convicted of notario publico deception (this chapter), the notary public may not reapply for a new commission.**

(d) If a notary public is convicted of notario publico deception (this chapter), the judge of the circuit court in which the notary resides shall permanently revoke the notary's appointment.

Page 1, line 2, delete "A" and insert "**This section applies only to a**".

Page 1, line 2, delete ":".

Page 1, line 3, strike "(1)".

Page 1, line 4, delete ";" and insert ".".

Page 1, line 4, strike "and".

Page 1, strike lines 5 through 7.

Page 1, line 8, strike "(B)".

Page 1, line 8, delete "uses".

Page 1, line 8, strike "in the advertisement:".

Page 1, line 9, delete "(i) terms that represent".

Page 1, line 9, strike "that the person is a notary, notary".

Page 1, strike lines 10 through 11.

Page 1, line 12, strike "a notary public;".

Page 1, delete lines 13 through 17.

Page 2, strike lines 1 through 5, begin a new paragraph and insert:

"(b) As used in this section, "advertise" means to make a communication to the public offering the person's services. The term includes a communication made in any medium, including a written medium, a broadcast medium, by means of the Internet, on a web site, or using any other form of electronic communication.

(c) As used in this section, "notary designation" means a representation that a person is a notary public, including the use of the term:

- (1) notary public;**
- (2) notario;**
- (3) notario publico;**

or any other term indicating in English or a language other than English that a person is a notary public.

(d) As used in this section, "notary disclosure" means a statement in English, and, if an advertisement requiring a notary disclosure is made in another language, the other language, stating:

"I AM NOT AN ATTORNEY PRACTICED TO LICENSE LAW IN INDIANA, AND I MAY NOT GIVE LEGAL ADVICE OR ACCEPT FEES FOR LEGAL ADVICE."

If the notary disclosure is required to be made in a written advertisement, the notary disclosure must appear in a conspicuous size. If the notary disclosure is required to be made in an oral advertisement, the notary disclosure must be spoken at a normal speed and at a normal volume.

(e) A person who knowingly or intentionally:

(1) advertises using the notary designation without using the notary disclosure:

- (A) in the advertisement;**
- (B) on the person's business card; and**
- (C) on the person's letterhead;**

(2) advertises or claims to be an expert on immigration matters without being a designated entity as defined under 8 CFR 245a.1(l);

(3) accepts payment in exchange for providing legal advice or any other assistance that requires legal analysis, legal judgment, or interpretation of the law;

commits notario publico deception, a Class A misdemeanor."

Page 2, delete lines 6 through 33, begin a new paragraph and insert:

"SECTION 3. [EFFECTIVE JULY 1, 2007] IC 35-42-2-10, as amended by this act, applies only to crimes committed after

June 30, 2007."

Renumber all SECTIONS consecutively.

(Reference is to SB 445 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Bill 138, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 6 with "[EFFECTIVE JANUARY 1, 2008]".

(Reference is to SB 138 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

LAWSON, Chair

Report adopted.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 37

Senate Concurrent Resolution 37, introduced by Senator Miller:

A CONCURRENT RESOLUTION honoring Dr. Alveda C. King.

Whereas, Dr. Alveda C. King is the daughter of the late civil rights activist Reverend A.D. King and the niece of Reverend Doctor Martin Luther King Junior. She lived through the zenith of the American Civil Rights Movement, and has made many important contributions of her own;

Whereas, Dr. Alveda C. King is a former Georgia State Representative, college professor and best selling author. She has served as a Senior Fellow of the Alexis de Tocqueville Institute and as a board member of the Coalition of African American Pastors;

Whereas, at present, Dr. Alveda C. King is a minister of the Gospel of Jesus Christ and serves as Director of African American Outreach for Gospel of Life. She also works with the Africa Humanitarian Christian Fellowship; and

Whereas, Dr. Alveda C. King founded King for America, Incorporated to assist people in enriching their lives spiritually, personally, mentally and economically. Her work for the glorification of God in issues that face society today is worthy of recognition: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. That the Indiana General Assembly honors Dr. Alveda C. King, and wishes her continued success in her work.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Dr. Alveda C. King.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Summers, Mays, Welch, and T. Harris.

2:01 p.m.

The Chair declared a recess until the fall of the gavel.

Recess

The Senate reconvened at 3:00 p.m., with the President of the Senate in the Chair.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: The Senate Committee on Utilities and Regulatory Affairs, to which was referred Senate Bill 529, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, delete lines 5 through 17, begin a new paragraph, and insert:

"Sec. 1. (a) This chapter applies to the construction of any segment of an interstate pipeline on privately owned land in Indiana.

(b) Except for the standards set forth in section 11 of this chapter, this chapter does not apply to construction activities that occur entirely on:

- (1) a public right-of-way;**
- (2) a railroad right-of-way; or**
- (3) publicly owned land.**

Sec. 2. As used in this chapter, "affected landowner" means an affected landowner (as defined in 18 CFR 157.6(d)(2)) who owns:

- (1) real property; or**
- (2) an interest in real property;**

in Indiana.

Sec. 3. As used in this chapter, "agricultural land" means land that is:

- (1) assessed as agricultural land for property taxes purposes;**
- (2) zoned or otherwise designated as agricultural land;**
- (3) used for growing crops or raising livestock; or**
- (4) reserved for conservation under a government program.**

Sec. 4. As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

Sec. 5. (a) "Construction" or "construction activity" means the physical work involved in the construction, reconstruction, improvement, maintenance, or extension of a pipeline project.

(b) The term includes the following:

- (1) The preparation of the construction site.**
- (2) Disassembling and removing a structure.**
- (3) Related work.**

Sec. 6. As used in this chapter, "pipeline" means a pipeline (as defined in IC 8-1-22.5-1(c)) that crosses or is located in:

- (1) Indiana; and**
- (2) one (1) or more other states.**

Sec. 7. (a) As used in this chapter, "pipeline company " means a person (as defined in IC 8-1-22.5-1(e)) that:

- (1) constructs; or**
- (2) proposes to construct;**

a pipeline.

(b) The term includes any:

- (1) employee;**
- (2) agent;**
- (3) contractor;**
- (4) subcontractor;**
- (5) or other person;**

that is employed by, or acts on behalf of, a pipeline company.

Sec. 8. Except as otherwise provided in this chapter, and to the extent not preempted by federal law, a pipeline company shall adhere to the standards set forth in this chapter in constructing a pipeline, or any segment of a pipeline, in Indiana.

Sec. 9. (a) A pipeline company shall bury the pipeline at the following minimum depths:

(1) Except as provided in subdivision (3), with at least five (5) feet of top cover, in a location in which the pipeline crosses any of the following types of land:

(A) Land that is used for crops.

(B) Land that:

- (i) is used as pasture land; and**
- (ii) is comprised of soils that are classified by the United States Department of Agriculture as prime soils.**

(C) Land that:

- (i) is used as other agricultural land; and**
- (ii) is comprised of soils that are classified by the United States Department of Agriculture as prime soils.**

(2) Except as provided in subdivision (3), with at least three (3) feet of top cover, in a location in which the pipeline crosses any of the following types of land:

(A) Land that:

- (i) is used as pasture land; and**
- (ii) is not comprised of soils that are classified by the United States Department of Agriculture as prime soils.**

(B) Land that:

- (i) is used as other agricultural land; and**
- (ii) is not comprised of soils that are classified by the United States Department of Agriculture as prime soils.**

(C) Land that is wooded or brushy land.

(D) All other classifications of land.

(3) With at least thirty (30) inches of top cover, in an area in which:

- (A) rock in its natural formation; or
- (B) a continuous strata of gravel exceeding two hundred (200) feet in length; is encountered.

(b) If weights are required to keep a pipeline or segment of pipeline in place, the pipeline company shall bury the pipeline at the depth necessary to maintain the depth of top cover above the weights that is required under subsection (a) for the particular type of land on which the weights are located.

(c) If a pipeline or segment of pipeline crosses agricultural land that is subject to erosion, the pipeline company shall patrol the pipeline right-of-way with reasonable frequency to detect erosion of the top cover. Except as provided in subsection (a)(3), the pipeline company shall not knowingly allow the depth of the top cover to be less than thirty-six (36) inches as a result of natural erosion. In addition, any soil conservation practices used on agricultural land before the construction of the pipeline, including terraces and grassed waterways, shall be restored by the pipeline company to their preconstruction condition.

Sec. 10. (a) In performing any excavation in connection with the construction or burial of a pipeline, a pipeline company shall segregate any topsoil removed during the excavation from any subsoil materials removed during the excavation, as prescribed by this section.

(b) The pipeline company shall strip the actual depth of the topsoil, not to exceed thirty-six (36) inches, from:

- (1) the area to be excavated above the pipeline; and
- (2) the adjacent subsoil storage area.

The topsoil removed must be stored in a windrow parallel to the pipeline trench in such a manner that it will not become intermixed with subsoil materials.

(c) Any subsoil materials that are removed from the pipeline trench during the excavation must be placed in a windrow that is:

- (1) parallel to the pipeline trench; and
- (2) separate from the topsoil windrow described in subsection (b).

(d) Subject to subsection (e), in backfilling the pipeline trench, the pipeline company shall place the stockpiled subsoil material described in subsection (c) into the trench before replacing the stockpiled topsoil described in subsection (b).

(e) Before replacing the topsoil, the pipeline company shall remove all rocks greater than three (3) inches in any dimension from:

- (1) the surface of all subsoil; and
- (2) all subsoil that is replaced in the trench.

In replacing the topsoil, the pipeline company shall remove all rocks greater than three (3) inches in any dimension from the topsoil.

(f) This subsection applies whenever a pipeline company:

- (1) performs an excavation in connection with the construction or burial of a pipeline, as described in subsection (a); or
- (2) excavates land for a road, stream, drainage ditch, or other crossing.

After performing the excavation, the pipeline company shall replace the topsoil in such a manner that after settling occurs,

the topsoil's original depth and contour will be restored.

Sec. 11. (a) A pipeline company shall take all reasonable actions necessary to prevent or remedy damage to underground drainage tiles during the construction of a pipeline, as prescribed by this section.

(b) Before installing any pipeline, the pipeline company shall make a reasonable effort to locate any tile lines within the pipeline's right-of-way. Any tile lines identified under this subsection shall be staked or flagged before construction.

(c) In installing a pipeline, the pipeline company shall maintain a minimum of one (1) foot of separation between the pipeline and any tile line that is crossed by the pipeline, regardless of whether the pipeline passes over or under the tile line. The pipeline company shall ensure that the tile line's original alignment and gradient are maintained.

(d) Any tile line that is damaged, cut, or removed during construction activities shall be staked or flagged so that the stakes or flags:

- (1) are visibly distinct from the preconstruction markings made under subsection (b); and
- (2) remain visible until permanent repairs are made.

(e) If a tile line that contains flowing water is damaged, the pipeline company shall immediately repair the tile line. A repair made under this subsection may be temporary in nature if a permanent repair cannot be made immediately. However, the pipeline company shall make permanent repairs to the tile line as soon as is reasonably possible.

(f) Before completing any permanent tile line repairs, the pipeline company shall:

- (1) probe; or
- (2) examine by other suitable means;

all tile lines located within any construction sites or other work areas. The pipeline company shall probe or examine the tile lines on both sides of the pipeline trench for the entire length of the tile lines to determine whether any tile has been damaged by vehicular traffic or construction equipment. If the pipeline company discovers damaged tile lines, the pipeline company shall repair the damaged tile lines so that the tile lines operate as well after construction activities are complete as they did before construction began.

(g) The pipeline company is responsible for:

- (1) installing any additional drainage tiles; and
- (2) taking any additional drainage measures;

that are necessary to properly drain wet areas on the temporary and permanent easements acquired by the pipeline company in connection with the construction and maintenance of a pipeline across an affected landowner's property.

(h) The pipeline company shall make any necessary permanent repairs to damaged tile lines on an affected landowner's property not later than fourteen (14) days after the pipeline is laid in the trench on the property. However, if soil or weather conditions do not permit the pipeline company to make the necessary permanent repairs within the timeframe set forth in this subsection, the pipeline company shall make the necessary permanent repairs as soon as soil and weather conditions allow.

(i) Except as provided in subsection (j), after construction of the pipeline is complete, the pipeline company is responsible for

correcting all tile line repairs that:

- (1) were performed by the pipeline company during construction; and
- (2) have failed as a result of further pipeline construction activities.

(j) The pipeline company is not responsible for correcting any tile line repairs that:

- (1) are paid for by the pipeline company; and
- (2) are performed by the affected landowner or the affected landowner's agent;

at any time during or after construction.

Sec. 12. (a) This subsection applies to a pipeline that crosses agricultural land.

(b) A pipeline company shall take all reasonable actions necessary to:

- (1) alleviate soil compaction that results from the pipeline company's construction activities; and
- (2) restore the soil on an affected landowner's property to its preconstruction condition;

as prescribed in this section.

(c) After replacing the topsoil on an affected landowner's property, the pipeline company shall rip and disk all areas on the property that were traversed by vehicles or construction equipment. The pipeline company shall perform any ripping and disking required by this subsection when the soil is dry enough for normal tillage operations to occur on undisturbed agricultural land adjacent to the areas to be ripped and disked. The pipeline company shall restore all rutted land to its original condition.

(d) The cost of applying any:

- (1) fertilizer;
- (2) manure; or
- (3) lime;

needed to restore the soil to its preconstruction condition shall be included in the damages paid by the pipeline company to the affected landowner for the easement or other interest acquired in the landowner's land. The affected landowner shall be allowed to determine the appropriate types and amounts of fertilizer, manure, or lime needed, depending on the types of crops grown and the duration of the construction activities on the land.

Sec. 13. (a) After construction of a pipeline is complete, the pipeline company shall take all reasonable actions necessary to restore an affected landowner's property to its preconstruction elevation and contour if:

- (1) uneven settling occurs; or
- (2) surface drainage problems develop;

on the property as a result of the construction.

(b) An affected landowner who discovers:

- (1) uneven settling; or
- (2) surface drainage problems;

on the landowner's property after construction is complete, must give the pipeline company written notice of the conditions or problems discovered if the landowner seeks to have the pipeline company correct the conditions or problems.

(c) Not later than forty-five (45) days after receiving notice from an affected landowner under subsection (b), a pipeline company shall provide land leveling services to correct the

conditions or problems described in the notice. However, if soil or weather conditions do not permit the pipeline company to provide the necessary land leveling services within the timeframe set forth in this subsection, the pipeline company shall provide the necessary land leveling services as soon as soil and weather conditions allow.

Sec. 14. If a pipeline company determines that it is necessary to remove one (1) or more trees from an affected landowner's property for the construction of a pipeline, regardless of whether the trees are located in the pipeline company's right of way or on another part of the property, the pipeline company shall notify the landowner of the planned removal. If the trees to be removed are of commercial or other value to the affected landowner:

- (1) the affected landowner retains ownership of the trees; and
- (2) the pipeline company shall negotiate with the affected landowner concerning disposition of the trees before the commencement of any removal activities.

Sec. 15. (a) This section applies to a pipeline that crosses agricultural land.

(b) If, during the construction of a pipeline:

- (1) the pipeline; or
- (2) any temporary work sites or construction areas;

cross an operational spray irrigation system on an affected landowner's property, the pipeline company shall negotiate with the affected landowner to establish an acceptable amount of time that the irrigation system may be out of service.

(c) If, as a result of pipeline construction activities:

- (1) there is an interruption in the affected landowner's irrigation system; and
- (2) the interruption results in damage to crops on the affected landowner's property, regardless of whether the crops are located:

- (A) in the pipeline company's right-of-way; or
- (B) on another part of the property;

the pipeline company shall compensate the affected landowner for the landowner's reasonable damages.

(d) If it is:

- (1) feasible; and
- (2) mutually acceptable to the pipeline company and the affected landowner;

temporary measures shall be implemented to allow an irrigation system to continue to operate on the part of the landowner's property on which the pipeline is being constructed.

Sec. 16. (a) Before a pipeline company begins construction of a pipeline on an affected landowner's property, the pipeline company shall negotiate with the affected landowner to reach a mutually acceptable agreement on the route that will be used to access the pipeline company's temporary or permanent easements on the landowner's property if access to the easements is not practical or feasible from:

- (1) adjacent segments of the pipeline right-of-way; or
- (2) a public highway or railroad right-of-way.

(b) Before a pipeline company begins construction of a pipeline on an affected landowner's property, the pipeline company shall negotiate with the affected landowner to determine the location of any temporary roads that will be used

in connection with the construction. A temporary road used by the pipeline company for construction purposes shall:

- (1) be designed so that it does not impede surface drainage from the affected landowner's property; and
- (2) be built to minimize soil erosion on or near the temporary road.

Upon abandonment, a temporary road may be left intact by mutual agreement of the affected landowner and the pipeline company, unless prohibited by any federal, state, or local law or regulation.

Sec. 17. If a pipeline company has rights to the surface use of a right-of-way, including any:

- (1) valve sites;
- (2) metering stations;
- (3) compression stations; or
- (4) other locations in which pipeline facilities or appurtenances are located;

the pipeline company shall provide for weed control in a manner that prevents the spread of weeds onto adjacent agricultural lands.

Sec. 18. (a) Except as provided in subsection (b), if it becomes necessary for a pipeline company to pump water from an open trench in connection with the pipeline company's construction activities, the pipeline company shall pump the water in a manner that will not:

- (1) inundate adjacent crops for more than twenty-four (24) hours;
- (2) deposit sediment in ditches or water courses;
- (3) deposit:
 - (A) subsoil sediment; or
 - (B) gravel;
 in fields or pasture land; or
- (4) otherwise damage adjacent crops, pasture land, or other agricultural land.

(b) If it is impossible for the pipeline company to avoid any of the damages described in subsection (a), the pipeline company shall:

- (1) compensate the affected landowner for the landowner's reasonable damages; or
- (2) correct the damages so as to restore the affected land to its preconstruction condition.

Sec. 19. (a) As used in this section, "affected landowner" includes the heirs, successors, legal representatives, and assigns of an affected landowner.

(b) A pipeline company shall indemnify an affected landowner from and against any claims or damages resulting from or arising out of:

- (1) the pipeline company's construction, maintenance, operation, repair, removal, or use of pipeline on the affected landowner's property; or
- (2) the existence of the pipeline on the affected landowner's property;

except for claims or damages resulting from or arising out of the affected landowner's negligence, intentional acts, or willful omissions.

Sec. 20. (a) Not later than forty-five (45) days before beginning construction on an affected landowner's property, a pipeline company shall provide the affected landowner with a

toll free telephone number that the landowner can call to report any construction activities or repairs that:

- (1) are performed by the pipeline company on the affected landowner's property; and
- (2) violate, or appear to the landowner to violate, any provisions of this chapter.

(b) A pipeline company shall provide an affected landowner at least twenty-four (24) hours advance notice before entering the landowner's property to begin construction of the pipeline. This subsection does not affect a pipeline company's duties under IC 32-24-1-3(g) that apply:

- (1) before the pipeline company acquires an easement or other interest in the landowner's property under IC 32-24; and
- (2) in connection with the pipeline company's entry upon the landowner's property for the purpose of surveying or examining the property.

Sec. 21. (a) Except as otherwise:

- (1) provided in this chapter; or
- (2) agreed to by the pipeline company and an affected landowner;

any mitigative action required to be performed by a pipeline company under this chapter shall be performed not later than forty-five (45) days after the completion of construction activities on the affected landowner's property. However, if soil or weather conditions do not permit the pipeline company to perform a required mitigative action within the timeframe set forth in this subsection, the pipeline company shall perform the required action as soon as soil and weather conditions allow.

(b) Except as otherwise agreed to by the pipeline company and an affected landowner, a pipeline company's duty to perform any mitigative action required by this chapter:

- (1) extends beyond the initial construction of the pipeline on the affected landowner's property; and
- (2) includes the duty to repair or correct damages caused by the pipeline company during future construction, operation, maintenance, and repair activities related to the pipeline.

(c) The pipeline company shall implement all mitigative actions required by this chapter to the extent the actions do not conflict with the requirements of :

- (1) any federal, state, or local regulations or rules; or
- (2) any permits or approvals obtained by the pipeline company in connection with the pipeline construction project.

(d) A pipeline company shall include a statement of its duty to adhere to the standards set forth in this chapter in any:

- (1) environmental assessment; or
- (2) environmental impact statement;

prepared in connection with a pipeline construction project.

Sec. 22. Notwithstanding the standards set forth in this chapter, an affected landowner is entitled to negotiate for different construction standards with a pipeline company in the course of:

- (1) any negotiations involved in establishing a price for any:
 - (A) easement; or
 - (B) other interest in land;

needed by the pipeline company to construct the pipeline across the affected landowner's property; or
(2) any other negotiations voluntarily entered into by the pipeline company and the affected landowner.

Sec. 23. The provisions of this chapter are severable as provided in IC 1-1-1-8(b)."

Delete pages 2 through 6.

Page 7, delete lines 1 through 21, begin a new paragraph and insert:

"SECTION 2. IC 8-1-22.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 22.7. Monitoring of Pipeline Construction Projects

Sec. 1. The definitions in IC 8-1-22.6 apply throughout this chapter.

Sec. 2. As used in this chapter, "division" refers to the pipeline safety division of the Indiana utility regulatory commission established by IC 8-1-22.5-2."

Page 7, line 22, delete "10." and insert "3."

Page 7, delete lines 34 through 37.

Page 7, line 38, delete "(4)" and insert "(3)".

Page 7, line 40, delete "(5)" and insert "(4)".

Page 7, line 41, delete "12" and insert "4".

Page 7, line 42, delete "(6)" and insert "(5)".

Page 8, delete lines 1 through 17.

Page 8, line 18, delete "12." and insert "4."

Page 8, line 20, delete "The standards adopted by the division under section 7 of" and insert "A link to the pipeline construction standards set forth in IC 8-1-22.6."

Page 8, delete line 21.

Page 8, line 36, delete "10" and insert "3".

Page 8, delete lines 39 through 42.

Page 9, delete lines 1 through 7.

Page 9, line 8, delete "(F)" and insert "(E)".

Page 9, line 10, delete "(G)" and insert "(F)".

Page 9, delete lines 13 through 17.

Page 9, line 18, delete "(c)" and insert "(b)".

Page 9, line 24, delete "10" and insert "3".

Page 9, delete lines 25 through 42.

Page 10, delete lines 1 through 20, begin a new paragraph and insert:

"SECTION 3. IC 32-24-1-3, AS AMENDED BY P.L.163-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Any person that may exercise the power of eminent domain for any public use under any statute may exercise the power only in the manner provided in this article, except as otherwise provided by law.

(b) **Except as provided in subsection (g),** before proceeding to condemn, the person:

(1) may enter upon any land to examine and survey the property sought to be acquired; and

(2) must make an effort to purchase for the use intended the land, right-of-way, easement, or other interest, in the property.

(c) The effort to purchase under subsection (b)(2) must include the following:

(1) Establishing a proposed purchase price for the property.

(2) Providing the owner of the property with an appraisal or

other evidence used to establish the proposed purchase price.

(3) Conducting good faith negotiations with the owner of the property.

(d) If the land or interest in the land, or property or right is owned by a person who is an incapacitated person (as defined in IC 29-3-1-7.5) or less than eighteen (18) years of age, the person seeking to acquire the property may purchase the property from the guardian of the incapacitated person or person less than eighteen (18) years of age. If the purchase is approved by the court appointing the guardian and the approval is written upon the face of the deed, the conveyance of the property purchased and the deed made and approved by the court are valid and binding upon the incapacitated person or persons less than eighteen (18) years of age.

(e) The deed given, when executed instead of condemnation, conveys only the interest stated in the deed.

(f) If property is taken by proceedings under this article, the entire fee simple title may be taken and acquired.

(g) This subsection applies to a public utility (as defined in IC 32-24-1-5.9(a)) or a pipeline company (as defined in IC 8-1-22.6-7). If a public utility or a pipeline company seeks to acquire land or an interest in land under this article, the public utility or pipeline company may not enter upon the land to examine or survey the property sought to be acquired unless either of the following occur:

(1) The public utility or the pipeline company sends notice by certified mail to the affected landowner (as defined in IC 8-1-22.6-2) of the public utility's or the pipeline company's intention to enter upon the landowner's property for survey purposes. The notice required by this subdivision must be mailed not later than fourteen (14) days before the date of the public utility's or the pipeline company's proposed examination or survey.

(2) The public utility or the pipeline company receives the landowner's signed consent to enter the property to perform the proposed examination or survey.

An affected landowner may bring an action to enforce this subsection in the circuit court of the county in which the landowner's property is located. A prevailing landowner is entitled to the landowner's actual damages as a result of the public utility's or the pipeline company's violation. In addition, the court may award a prevailing landowner reasonable costs of the action and attorney's fees."

Page 10, line 21, delete "2." and insert "3."

(Reference is to SB 529 as introduced.)

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

HERSHMAN, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 542, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 30, line 3, strike "However, if there is a vendor".

Page 30, strike lines 4 through 11.
 (Reference is to SB 542 as introduced.)
 and when so amended that said bill do pass.
 Committee Vote: Yeas 9, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Bill 353, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 13, delete "any" and insert "either".

Page 2, delete lines 7 through 8.

Page 6, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 4. IC 3-8-5-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10.5. (a) A person who desires to be nominated for a town office by a major political party must file a declaration of candidacy with the circuit court clerk of the county containing the greatest percentage of population of the town.

(b) A declaration of candidacy must be filed:

- (1) not earlier than January 1; and
- (2) not later than:

- (A) noon August 1 before a municipal election if the town nominates its candidates by convention; and
- (B) the date that a declaration of candidacy must be filed under IC 3-8-2-4 if the town nominates its candidates by a primary election.

(c) The declaration must be subscribed and sworn to (or affirmed) before a notary public or other person authorized to administer oaths.

(d) The declaration of each candidate required by this section must certify the following information:

(1) The candidate's name, printed or typewritten as:

- (A) the candidate wants the candidate's name to appear on the ballot; and
- (B) the candidate's name is permitted to appear on the ballot under IC 3-5-7.

(2) That the candidate is a registered voter and the location of the candidate's precinct and township (or the ward and town), county, and state.

(3) The candidate's complete residence address and the candidate's mailing address if the mailing address is different from the residence address.

(4) The candidate's party affiliation and the office to which the candidate seeks nomination, including the district designation if the candidate is seeking a town legislative body seat.

(5) That the candidate complies with all requirements under the laws of Indiana to be a candidate for the above named office, including any applicable residency requirements, and is not ineligible to be a candidate due to a criminal conviction that would prohibit the candidate from serving in the office.

(6) A statement that the candidate is aware of the provisions of IC 3-6-6-7 prohibiting certain relatives of the

candidate from being a precinct election officer. The candidate must separately sign the statement required by this subdivision.

~~(6)~~ (7) The candidate's signature.

(e) This subsection does not apply to a town whose municipal election is to be conducted by a county. Immediately after the deadline for filing, the circuit court clerk shall do all of the following:

(1) Certify to the town clerk-treasurer and release to the public a list of the candidates of each political party for each office. The list shall indicate any candidates of a political party nominated for an office under this chapter because of the failure of any other candidates of that political party to file a declaration of candidacy for that office.

(2) Post a copy of the list in a prominent place in the circuit court clerk's office.

(3) File a copy of each declaration of candidacy with the town clerk-treasurer.

(f) A person who files a declaration of candidacy for an elected office for which a per diem or salary is provided for by law is disqualified from filing a declaration of candidacy for another office for which a per diem or salary is provided for by law until the original declaration is withdrawn.

(g) A person who files a declaration of candidacy for an elected office may not file a declaration of candidacy for that office in the same year as a member of a different political party until the original declaration is withdrawn.

(h) A person who files a declaration of candidacy under this section may file a written notice withdrawing the person's declaration of candidacy in the same manner as the original declaration was filed, if the notice of withdrawal is filed not later than:

- (1) noon August 1 before the municipal election if the town nominates its candidates by convention; and
- (2) the date that a declaration of candidacy may be withdrawn under IC 3-8-2-20 if the town nominates its candidates in a primary election.

(i) A declaration of candidacy must include a statement that the candidate requests the name on the candidate's voter registration record be the same as the name the candidate uses on the declaration of candidacy. If there is a difference between the name on the candidate's declaration of candidacy and the name on the candidate's voter registration record, the officer with whom the declaration of candidacy is filed shall forward the information to the voter registration officer of the appropriate county as required by IC 3-5-7-6(e). The voter registration officer of the appropriate county shall change the name on the candidate's voter registration record to be the same as the name on the candidate's declaration of candidacy."

Page 11, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 8. [EFFECTIVE JULY 1, 2007] (a) A form prescribed by the Indiana election commission and acceptable for use by a candidate before July 1, 2007, under IC 3-8-2-2.5, IC 3-8-5-10.5, or IC 3-8-6-12, before their amendment by this act, is acceptable for use by a candidate after June 30, 2007.

(b) This SECTION expires January 1, 2008."

Renumber all SECTIONS consecutively.

(Reference is to SB 353 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 9, Nays 0.

LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill 556, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

Page 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 33-38-8-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 24. (a) This subsection applies to participants, survivors, and beneficiaries receiving benefits as of December 31, 2007. The amount of the monthly benefit received by a participant, survivor, or beneficiary as of December 31, 2007, shall be increased by two percent (2%). The increase under this subsection applies to monthly benefits paid after December 31, 2007.**

(b) This subsection applies to participants, survivors, and beneficiaries receiving benefits as of December 31, 2008. The amount of the monthly benefit received by a participant, survivor, or beneficiary as of December 31, 2008, shall be increased by two percent (2%). The increase under this subsection applies to monthly benefits paid after December 31, 2008.

SECTION 2. [EFFECTIVE UPON PASSAGE] **(a) The pension management oversight commission established by IC 2-5-12-1 shall do the following:**

(1) Study the issue of implementing a judges' defined contribution fund.

(2) Study any inequities that exist between the benefits provided by the 1977 judges' retirement system and the benefits provided by the 1985 judges' retirement system.

(3) Identify the ways in which the benefits provided by the 1977 judges' retirement system and the benefits provided by the 1985 judges' retirement system may be aligned.

(b) As part of the study under subsection (a)(1), the pension management oversight commission shall consider possible employer contribution rates by the state to a judges' defined contribution fund. The study must include a review of employer contribution rates for a judges' defined contribution fund that are consistent with employer contributions made by the state to other public pension plans.

(c) The commission shall operate under the policies governing study committees adopted by the legislative council and shall issue a final report before November 1, 2007, concerning the issues studied under this SECTION.

(d) This SECTION expires June 30, 2008.

SECTION 3. **An emergency is declared for this act."**

Delete pages 2 through 9.

Renumber all SECTIONS consecutively.

(Reference is to SB 556 as printed February 16, 2007.)
and when so amended that said bill do pass.
Committee Vote: Yeas 8, Nays 0.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 553, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 3, line 28, delete ":".

Page 3, line 29, delete "(1)".

Page 3, line 29, delete ";" and insert ".".

Page 3, run in lines 28 through 29.

Page 3, delete lines 30 through 32.

Page 4, line 29, delete ":".

Page 4, line 30, delete "(A)".

Page 4, line 30, delete ";" and insert ".".

Page 4, run in lines 29 through 30.

Page 4, delete lines 31 through 35.

Page 6, line 10, delete ":".

Page 6, line 11, delete "(A)".

Page 6, line 11, delete ";" and insert ".".

Page 6, run in lines 10 through 11.

Page 6, delete lines 12 through 16.

Page 7, line 38, delete ":".

Page 7, line 39, delete "(1)".

Page 7, line 39, delete ";" and insert ".".

Page 7, run in lines 38 through 39.

Page 7, delete lines 40 through 42.

Page 9, line 21, delete ":".

Page 9, line 22, delete "(1)".

Page 9, line 22, delete ";" and insert ".".

Page 9, run in lines 21 through 22.

Page 9, delete lines 23 through 25.

Page 10, line 42, delete ":".

Page 11, line 1, delete "(1)".

Page 11, line 1, delete ";" and insert ".".

Run in page 10, line 42, through page 11, line 1.

Page 11, delete lines 2 through 4.

(Reference is to SB 553 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 336, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 27, delete "Make" and insert "**Except as provided in subsection (e), make**".

Page 2, after line 41, begin a new paragraph and insert:

"(e) If a unit specifies that the donation shall be held by the charitable nonprofit community foundation as a nonendowed designated fund under subsection (d), the unit shall have access to the donation and income from the donation at any time."

(Reference is to SB 336 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 10, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 326, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 27, after "1." delete "An" and insert **"The commission shall adopt rules under IC 4-22-2 that requires an"**.

Page 2, line 28, delete "must" and insert **"to"**.

Page 2, delete lines 34 through 35.

Page 2, line 37, delete "IC 22-14-6-2," and insert **"IC 22-14-6-1,"**.

Page 2, line 39, delete "IC 22-14-6-2," and insert **"IC 22-14-6-1,"**.

Page 3, line 1, delete "IC 22-14-6-2," and insert **"IC 22-14-6-1,"**.
(Reference is to SB 326 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 371, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 339, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 7, Nays 3.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 377, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that

said bill be amended as follows:

Page 1, line 8, after "(B)" insert **"for a real estate appraiser: (i)"**.

Page 1, line 11, delete "1989, for a real".

Page 1, line 12, delete "estate appraiser;" and insert **"1989; or (ii) the real estate appraiser licensure and certification board established under IC 25-34.1-8 for specific courses and course subjects, as determined by the real estate appraiser licensure and certification board;"**.

Page 1, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 2. IC 25-34.1-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) This section does not preclude a person who:

(1) is not licensed or certified as a real estate appraiser under this section; and

(2) is licensed as a broker under this article;

from appraising real estate in Indiana for compensation.

(b) As used in this section, "federal act" refers to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (12 U.S.C. 3331 through 3351).

(c) The commission shall adopt rules to establish a real estate appraiser licensure and certification program to be administered by the board.

(d) The commission may not adopt rules under this section except upon the action and written recommendations of the board under ~~IC 25-34.1-8-6~~ **IC 25-34.1-8-6.5**.

(e) The real estate appraiser licensure and certification program established by the commission under this section must meet the requirements of:

(1) the federal act;

(2) any federal regulations adopted under the federal act; and

(3) any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(f) The real estate appraiser licensure and certification requirements established by the commission under this section must require a person to meet the standards for real estate appraiser certification and licensure established:

(1) under the federal act;

(2) by federal regulations; and

(3) any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(g) The commission may require continuing education as a condition of renewal for real estate appraiser licensure and certification.

(h) The following are not required to be a licensed or certified real estate appraiser to perform the requirements of IC 6-1.1-4:

(1) A county assessor who holds office under IC 36-2-15.

(2) A township assessor who holds office under IC 36-6-5.

(3) An individual employed by an officer described in subdivision (1) or (2).

(i) Notwithstanding IC 25-34.1-3-2(a):

(1) only a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act; as determined under rules adopted by the commission, as recommended by the board; and

(2) a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate not involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act; as determined under rules adopted by the commission, as recommended by the board.

SECTION 3. IC 25-34.1-8-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 6.5. The board shall submit recommendations to the commission concerning the following:**

(1) Implementation and operation of the real estate appraiser licensure and certification program under IC 25-34.1-3-8.

(2) Rules governing real estate appraisers licensed and certified under IC 25-34.1-3-8.

(3) Establishing a fee in an amount necessary to fund the investigative fund established by section 7.5 of this chapter but not more than twenty dollars (\$20).

(4) Rules governing the administration of the investigative fund established by section 7.5 of this chapter."

Page 2, line 37, strike "school or".

Page 2, line 38, strike "school or".

Page 3, delete lines 15 through 16, begin a new paragraph and insert:

"SECTION 6. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 25-34.1-8-14; IC 25-34.1-8-6."

Renumber all SECTIONS consecutively.

(Reference is to SB 377 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Bill 269, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 9, delete "three" and insert "**two**".

Page 1, line 9, delete "(\$300,000)" and insert "**(\$200,000)**".

(Reference is to SB 269 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Bill 358, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 3, line 31, delete "on or" and insert "**at least thirty (30) days**".

Page 3, line 31, delete "May 1 of the calendar year during" and insert "**the date on**".

Page 3, line 32, delete "sell" and insert "**begin selling**".

Page 5, line 3, delete "December 31," and insert "**May 15,**".

(Reference is to SB 358 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Bill 103, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-14-1.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. For the purposes of this chapter:

(a) "Public agency" means the following:

(1) Any board, commission, department, agency, authority, or other entity, by whatever name designated, exercising a portion of the executive, administrative, or legislative power of the state.

(2) Any county, township, school corporation, city, town, political subdivision, or other entity, by whatever name designated, exercising in a limited geographical area the executive, administrative, or legislative power of the state or a delegated local governmental power.

(3) Any entity which is subject to either:

(A) budget review by either the department of local government finance or the governing body of a county, city, town, township, or school corporation; or

(B) audit by the state board of accounts.

(4) Any building corporation of a political subdivision of the state of Indiana that issues bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) The Indiana gaming commission established by IC 4-33, including any department, division, or office of the commission.

(7) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

(b) "Governing body" means two (2) or more individuals who are:

- (1) a public agency that:
 - (A) is a board, a commission, an authority, a council, a committee, a body, or other entity; and
 - (B) takes official action on public business;
- (2) the board, commission, council, or other body of a public agency which takes official action upon public business; or
- (3) any committee appointed directly by the governing body or its presiding officer to which authority to take official action upon public business has been delegated. An agent or agents appointed by the governing body to conduct collective bargaining on behalf of the governing body does not constitute a governing body for purposes of this chapter.

(c) "Meeting" means a gathering of a majority of the governing body of a public agency for the purpose of taking official action upon public business. It does not include:

- (1) any social or chance gathering not intended to avoid this chapter;
- (2) any on-site inspection of any: ~~project or program;~~
 - (A) project;**
 - (B) program; or**
 - (C) facilities of applicants for incentives or assistance from the governing body;**
- (3) traveling to and attending meetings of organizations devoted to betterment of government; ~~or~~
- (4) a caucus;
- (5) a gathering to receive information about an industrial or a commercial prospect that does not include a discussion of the terms of a request or an offer of public financial resources;**
- (6) training of members of the governing body on their role and responsibilities by the presiding officer of a governing body, but not for any other official action; or**
- (7) a gathering for the sole purpose of administering an oath of office to an individual.**

(d) "Official action" means to:

- (1) receive information;
- (2) deliberate;
- (3) make recommendations;
- (4) establish policy;
- (5) make decisions; or
- (6) take final action.

(e) "Public business" means any function upon which the public agency is empowered or authorized to take official action.

(f) "Executive session" means a meeting from which the public is excluded, except the governing body may admit those persons necessary to carry out its purpose.

(g) "Final action" means a vote by the governing body on any motion, proposal, resolution, rule, regulation, ordinance, or order.

(h) "Caucus" means a gathering of members of a political party or coalition which is held for purposes of planning political strategy and holding discussions designed to prepare the members for taking official action.

(i) "Deliberate" means a discussion which may reasonably be expected to result in official action (defined under subsection (d)(3), (d)(4), (d)(5), or (d)(6)).

(j) "News media" means all newspapers qualified to receive legal advertisements under IC 5-3-1, all news services (as defined in IC 34-6-2-87), and all licensed commercial or public radio or television stations.

(k) "Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity."

Page 2, line 24, after "intended" insert **"by any member of the governing body"**.

Page 2, line 26, delete "an onsite inspection of any project or program;" and insert **"an onsite inspection of any:**

- (A) project;**
- (B) program; or**
- (C) facilities of applicants for incentives or assistance from the governing body;"**.

Page 2, delete lines 30 through 32.

Page 2, line 33, delete "(6)" and insert **"(5)"**.

Page 2, line 35, delete "." and insert ";".

Page 2, between lines 35 and 36, begin a new line block indented and insert:

- "(6) a conversation between the presiding officer of a governing body and one (1) other member of the governing body for the purpose of receiving information, but not for any other official action;**
- (7) training of members of the governing body on their role and responsibilities by the presiding officer of a governing body, but not for any other official action; or**
- (8) a gathering for the sole purpose of administering an oath of office to an individual."**

Page 5, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 5. IC 20-12-1-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) This section applies to a meeting of the board of trustees or a committee of the board of trustees of any state educational institution (as defined in IC 20-12-0.5-1).

(b) A member of the board of trustees may participate in a meeting of the board at which at least a quorum is physically present at the place where the meeting is conducted by using a means of communication that permits:

- (1) all other members participating in the meeting; and**
- (2) all members of the public physically present at the place where the meeting is conducted;**

to simultaneously communicate with each other during the meeting.

(c) A member of a committee of the board of trustees may participate in a committee meeting by using a means of communication that permits:

- (1) all other members participating in the meeting; and**
- (2) all members of the public physically present at the place where the meeting is conducted;**

to simultaneously communicate with each other during the meeting.

(d) A member who participates in a meeting under subsection (b) or (c) is considered to be present at the meeting.

(e) The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of:

- (1) each member who was physically present at the place where the meeting was conducted;
- (2) each member who participated in the meeting by using a means of communication described in subsection (b) or (c); and
- (3) each member who was absent."

Page 6, delete lines 1 through 8.

Page 7, after line 13, begin a new paragraph and insert:

"SECTION 8. IC 25-1-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 14. Meetings

Sec. 1. This section applies to a meeting of a board, committee, or commission listed in IC 25-1-5-3 or IC 25-1-6-3.

Sec. 2. A member of a board, committee, or commission may participate in a meeting of the board, committee, or commission by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

Sec. 3. A member who participates in a meeting under section 2 of this chapter:

- (1) is considered to be present at the meeting;
- (2) shall be counted for purposes of establishing a quorum; and
- (3) may vote at the meeting.

Sec. 4. The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of:

- (1) each member who was physically present at the place where the meeting was conducted;
- (2) each member who participated in the meeting by using a means of communication described in section 2 of this chapter; and
- (3) each member who was absent."

Renumber all SECTIONS consecutively.

(Reference is to SB 103 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 2.

LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill 557, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 25-9-1-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 4.5.** In accordance with

IC 35-45-18-1(b), the commission shall adopt rules under IC 4-22-2 to define ultimate fighting, Ultimate Fighting Championships, and professional wrestling.

SECTION 2. IC 35-45-18 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 18. Combative Fighting

Sec. 1. (a) As used in this chapter, "combative fighting" (also known as "toughman fighting", "badman fighting", and "extreme fighting") means a match, contest, or exhibition that involves at least (2) contestants, with or without gloves or protective headgear, in which the contestants:

- (1) use their:
 - (A) hands;
 - (B) feet; or
 - (C) both hands and feet;
 to strike each other; and
- (2) compete for a financial prize or any item of pecuniary value.

(b) The term does not include:

- (1) a boxing or sparring match regulated under IC 25-9;
- (2) ultimate fighting or Ultimate Fighting Championships, as defined by the state boxing commission in rules adopted under IC 25-9-1-4.5;
- (3) professional wrestling, as defined by the state boxing commission in rules adopted under IC 25-9-1-4.5; or
- (4) a match, contest, or game in which a fight breaks out among the participants as an unplanned, spontaneous event and not as an intended part of the match, contest, or game.

Sec. 2. A person who knowingly or intentionally promotes or participates in combative fighting commits unlawful combative fighting, a Class D felony.

SECTION 2. [EFFECTIVE JULY 1, 2007] IC 35-45-18-2, as added by this act, applies only to crimes committed after June 30, 2007.

(Reference is to SB 557 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Bill 211, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-13.6-2-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.** The department shall offer instruction at least annually to:

- (1) small businesses (as defined in IC 5-22-14-1);
- (2) minority business enterprises (as defined in IC 4-13-16.5-1); and

(3) women's business enterprises (as defined in IC 4-13-16.5-1.3);
with regard to bonding requirements and working with the surety industry to secure bonding for public works projects."

Page 1, delete lines 6 through 16, begin a new paragraph and insert:

"SECTION 3. IC 4-13.6-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The director:
(1) may require each contractor of a public works project with an estimated cost of not more than two hundred thousand dollars (\$200,000); and
(2) shall require each contractor of a public works project with an estimated cost of more than two hundred thousand dollars (\$200,000);

to submit a good and sufficient bid bond with the bid. The bid bond may equal any percentage of the estimated cost of the public works project that the director requires.

(b) The division may accept bonds provided on forms specified by the department or on forms given by surety companies."

Page 2, line 2, delete "five" and insert "two".

Page 2, line 3, delete "(\$500,000)," and insert "(\$200,000),".

Page 2, line 38, delete "five" and insert "two".

Page 2, line 38, delete "(\$500,000)," and insert "(\$200,000),".

Page 2, line 39, reset in roman "one (1) of the following:".

Page 2, reset in roman lines 40 through 42.

Page 3, reset in roman line 1.

Page 3, line 2, reset in roman "(2)".

Page 3, line 2, delete "the" and insert "The".

Page 3, line 2, reset in roman "will".

Page 3, line 2, delete "to".

Page 3, delete lines 6 through 30, begin a new paragraph and insert:

"SECTION 5. IC 4-13.6-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) If the estimated cost of the public works project is:

(1) at least ~~one hundred fifty two~~ hundred thousand dollars (~~\$150,000~~) (\$200,000), the division shall; or

(2) less than two hundred thousand dollars (\$200,000), the division may;

require the contractor to execute a good and sufficient performance bond to the department for the state in an amount equal to one hundred percent (100%) of the total contract price.

(b) The bond required under subsection (a) shall include at least the following provisions:

(1) The contractor shall well and faithfully perform the contract.

(2) No change, modification, omission, or addition in or to the terms or conditions of the contract, plans, specifications, drawings, or profile or any irregularity or defect in the contract or in the procedures preliminary to the letting and awarding of the contract shall affect or operate to release or discharge the surety in any way.

(3) The provisions and conditions of this chapter shall be a part of the terms of the contract and bond.

(c) The division may permit the bond given by the contractor to provide for incremental bonding in the form of multiple or chronological bonds that, if taken as a whole, equal the total

contract price.

(d) The division may accept bonds provided on forms specified by the division or on forms given by surety companies.

(e) The division shall not release sureties of a contractor until the expiration of one (1) year after the final settlement with the contractor."

Page 3, line 35, delete "five" and insert "two".

Page 3, line 36, delete "(\$500,000)" and insert "(\$200,000)".

Page 3, line 39, after "contract." insert "**A state agency may elect to have a contract that is for not more than two hundred thousand dollars (\$200,000) be governed by this chapter."**

Page 4, delete lines 1 through 13, begin a new paragraph and insert:

"SECTION 7. IC 5-30-8-4, AS ADDED BY P.L.74-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The public agency:

(1) shall require the design-builder to furnish performance and payment bonds for the project if the estimated cost of the project is more than two hundred thousand dollars (\$200,000); and

(2) may require the design-builder to furnish performance and payment bonds for the project if the estimated cost of the project is not more than two hundred thousand dollars (\$200,000).

(b) A performance or payment bond is not required for, and does not provide coverage for, the part of a design-build contract that includes design services only.

(c) Subsection (b) does not impair the ability of the public agency to seek recovery under the contract from the design-builder for errors, omissions, or defects in the design services."

Page 6, line 10, delete "may not" and insert "shall".

Page 6, line 11, delete "or" and insert "and".

Page 6, line 12, delete "unless" and insert "if".

Page 6, line 13, delete "five" and insert "two".

Page 6, line 13, delete "(\$500,000)." and insert "**(\$200,000). The authority may require a bid, performance, or payment bond from a contractor for a project if the estimated cost of the project is not more than two hundred thousand dollars (\$200,000)."**

Page 7, delete lines 13 through 42, begin a new paragraph and insert:

"SECTION 8. IC 8-23-7-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) If an exchange under section 17 of this chapter includes improvements to be constructed on either parcel of real property, the department shall enter into an agreement with the owner of the parcel of property that the department will receive. An agreement under this section must include the following:

(1) The appraisal required under section 18 of this chapter must include the value of improvements constructed or to be constructed on the property.

(2) The construction contract for improvements under this section must be guaranteed by a construction or performance bond issued by a surety company approved by the department.

The department:

(A) shall require a performance bond from a contractor for a project if the estimated cost of the project is more

than two hundred thousand dollars (\$200,000); and
(B) may require a performance bond from a contractor for a project if the estimated cost of the project is not more than two hundred thousand dollars (\$200,000).

(3) The plans and specifications for improvements under this section must be certified by a licensed architect or engineer.

(b) The department must approve in writing the construction contract, bond, plans, and specifications for the improvements before entering into an exchange agreement under this section.

SECTION 9. IC 8-23-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. **The department:**

(1) shall require each bidder must to submit a bid guarantee and a performance bond payable to the state with the bidder's proposal if the estimated cost of the project is more than two hundred thousand dollars (\$200,000); and

(2) may require a bidder to submit a bid guarantee and a performance bond payable to the state with the bidder's proposal if the estimated cost of the project is not more than two hundred thousand dollars (\$200,000).

~~On contracts of one hundred thousand dollars (\$100,000) or less the commissioner may waive the bond requirements.~~ Instead of the bond, the department may establish by rule the requirements that, in its discretion, are necessary to assure payment of subcontractors, suppliers, and employees by the contractor.

SECTION 10. IC 36-1-12-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.5. (a) **The political subdivision or agency:**

(1) shall require a bond or a certified check shall to be filed with each bid by a bidder in the amount determined and specified by the board in the notice of the letting if the cost of the public work is estimated to be more than two hundred thousand dollars (\$200,000); and

(2) may require a bond or a certified check to be filed with each bid by a bidder in the amount determined and specified by the board in the notice of the letting if the cost of the public work is estimated to be not more than two hundred thousand dollars (\$200,000).

(b) The amount of the bond or certified check may not be set at more than ten percent (10%) of the contract price. The bond or certified check shall be made payable to the political subdivision or agency.

(c) All checks of unsuccessful bidders shall be returned to them by the board upon selection of successful bidders. Checks of successful bidders shall be held until delivery of the performance bond, as provided in section 14(e) of this chapter.

SECTION 11. IC 36-1-12-13.1, AS AMENDED BY P.L.120-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.1. (a) Except as provided in subsection (f); (e), ~~this section applies to contracts for public work only if the cost of the public work is estimated to be more than one hundred thousand dollars (\$100,000);~~ **(b) the appropriate political subdivision or agency:**

(1) shall require the contractor shall to execute a payment bond to the appropriate political subdivision or agency, approved by and for the benefit of the political subdivision or agency, in an amount equal to the contract price if the cost of the public work is estimated to be more than two hundred

thousand dollars (\$200,000); and

(2) may require the contractor to execute a payment bond to the appropriate political subdivision or agency, approved by and for the benefit of the political subdivision or agency, in an amount equal to the contract price if the cost of the public work is estimated to be not more than two hundred thousand dollars (\$200,000).

The payment bond is binding on the contractor, the subcontractor, and their successors and assigns for the payment of all indebtedness to a person for labor and service performed, material furnished, or services rendered. The payment bond must state that it is for the benefit of the subcontractors, laborers, material suppliers, and those performing services.

~~(c)~~ **(b)** The payment bond shall be deposited with the board. The payment bond must specify that:

- (1) a modification, omission, or addition to the terms and conditions of the public work contract, plans, specifications, drawings, or profile;
- (2) a defect in the public work contract; or
- (3) a defect in the proceedings preliminary to the letting and awarding of the public work contract;

does not discharge the surety. The surety of the payment bond may not be released until one (1) year after the board's final settlement with the contractor.

~~(d)~~ **(c)** A person to whom money is due for labor performed, material furnished, or services provided shall, within sixty (60) days after the completion of the labor or service, or within sixty (60) days after the last item of material has been furnished, file with the board signed duplicate statements of the amount due. The board shall forward to the surety of the payment bond one (1) of the signed duplicate statements. However, failure of the board to forward a signed duplicate statement does not affect the rights of a person to whom money is due. In addition, a failure to forward the statement does not operate as a defense for the surety.

~~(e)~~ **(d)** An action may not be brought against the surety until thirty (30) days after the filing of the signed duplicate statements with the board. If the indebtedness is not paid in full at the end of that thirty (30) day period the person may bring an action in court. The court action must be brought within sixty (60) days after the date of the final completion and acceptance of the public work.

~~(f)~~ **(e)** This subsection applies to contracts for a capital improvement entered into by, for, or on behalf of the Indiana stadium and convention building authority created by IC 5-1-17-6. The board awarding the contract for the capital improvement project may waive any payment bond requirement if the board, after public notice and hearing, determines:

(1) that:

- (A) an otherwise responsive and responsible bidder is unable to provide the payment bond; or
- (B) the cost or coverage of the payment bond is not in the best interest of the project; and

(2) that an adequate alternative is provided through a letter of credit, additional retainage of at least ten percent (10%) of the contract amount, a joint payable check system, or other sufficient protective mechanism.

SECTION 12. IC 36-1-12-14, AS AMENDED BY P.L.120-2006, SECTION 5, AND AS AMENDED BY P.L.2-2006, SECTION 189, IS CORRECTED AND AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) This section applies to public work contracts in excess of ~~one~~ **two** hundred thousand dollars ~~(\$100,000)~~ **(\$200,000)** for projects other than highways, roads, streets, alleys, bridges, and appurtenant structures situated on streets, alleys, and dedicated highway rights-of-way. **A board may require a contractor and subcontractor to include contract provisions for retainage as set forth in this section for contracts that are not more than two hundred thousand dollars (\$200,000).** This section also applies to a lessor corporation qualifying under ~~IC 21-5-11 IC 20-47-2~~ or ~~IC 21-5-12 IC 20-47-3~~ or any other lease-back arrangement containing an option to purchase, notwithstanding the statutory provisions governing those leases.

(b) A board that enters into a contract for public work, and a contractor who subcontracts parts of that contract, shall include in their respective contracts provisions for the retainage of portions of payments by the board to contractors, by contractors to subcontractors, and for the payment of subcontractors. At the discretion of the contractor, the retainage shall be held by the board or shall be placed in an escrow account with a bank, savings and loan institution, or the state as the escrow agent. The escrow agent shall be selected by mutual agreement between board and contractor or contractor and subcontractor under a written agreement among the bank or savings and loan institution and:

- (1) the board and the contractor; or
- (2) the subcontractor and the contractor.

The board shall not be required to pay interest on the amounts of retainage that it holds under this section.

(c) To determine the amount of retainage to be withheld, the board shall:

- (1) withhold no more than ten percent (10%) of the dollar value of all work satisfactorily completed until the public work is fifty percent (50%) completed, and nothing further after that; or
- (2) withhold no more than five percent (5%) of the dollar value of all work satisfactorily completed until the public work is substantially completed.

If upon substantial completion of the public work minor items remain uncompleted, an amount computed under subsection (f) ~~of this section~~ shall be withheld until those items are completed.

(d) The escrow agreement must contain the following provisions:

- (1) The escrow agent shall invest all escrowed principal in obligations selected by the escrow agent.
- (2) The escrow agent shall hold the escrowed principal and income until receipt of notice from the board and the contractor, or the contractor and the subcontractor, specifying the part of the escrowed principal to be released from the escrow and the person to whom that portion is to be released. After receipt of the notice, the escrow agent shall remit the designated part of escrowed principal and the same proportion of then escrowed income to the person specified in the notice.
- (3) The escrow agent shall be compensated for the agent's services. The parties may agree on a reasonable fee comparable with fees being charged for the handling of escrow accounts of similar size and duration. The fee shall be paid from the escrowed income.

The escrow agreement may include other terms and conditions

consistent with this subsection, including provisions authorizing the escrow agent to commingle the escrowed funds with funds held in other escrow accounts and limiting the liability of the escrow agent.

(e) ~~Except as provided by subsection~~ **subsections (i) and (h),** the contractor shall furnish the board with a performance bond equal to the contract price. If acceptable to the board, the performance bond may provide for incremental bonding in the form of multiple or chronological bonds that, when taken as a whole, equal the contract price. The surety on the performance bond may not be released until one (1) year after the date of the board's final settlement with the contractor. The performance bond must specify that:

- (1) a modification, omission, or addition to the terms and conditions of the public work contract, plans, specifications, drawings, or profile;
- (2) a defect in the public work contract; or
- (3) a defect in the proceedings preliminary to the letting and awarding of the public work contract;

does not discharge the surety.

(f) The board or escrow agent shall pay the contractor within sixty-one (61) days after the date of substantial completion, subject to sections 11 and 12 of this chapter. Payment by the escrow agent shall include all escrowed principal and escrowed income. If within sixty-one (61) days after the date of substantial completion there remain uncompleted minor items, an amount equal to two hundred percent (200%) of the value of each item as determined by the architect-engineer shall be withheld until the item is completed. Required warranties begin not later than the date of substantial completion.

(g) Actions against a surety on a performance bond must be brought within one (1) year after the date of the board's final settlement with the contractor.

(h) This subsection applies to public work contracts of less than two hundred fifty thousand dollars (\$250,000). The board may waive the performance bond requirement of subsection (e) and accept from a contractor an irrevocable letter of credit for an equivalent amount from an Indiana financial institution approved by the department of financial institutions instead of a performance bond. Subsections (e) through (g) apply to a letter of credit submitted under this subsection.

(i) This subsection applies to the Indiana stadium and convention building authority created by IC 5-1-17-6. The board awarding the contract for a capital improvement project may waive any performance bond requirement if the board, after public notice and hearing, determines:

(1) that:

- (A) an otherwise responsive and responsible bidder is unable to provide the performance bond; or*
- (B) the cost or coverage of the performance bond is not in the best interest of the project; and*

(2) that an adequate alternative is provided through a letter of credit, additional retainage of at least ten percent (10%) of the contract amount, a joint payable check system, or other sufficient protective mechanism."

Delete pages 8 through 11.

Page 12, delete lines 1 through 14.

Renumber all SECTIONS consecutively.

(Reference is to SB 211 as introduced.)

and when so amended that said bill do pass.
Committee Vote: Yeas 9, Nays 0.

LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Bill 139, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.
Committee Vote: Yeas 5, Nays 4.

LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 335, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 6, line 33, delete "(c)" and insert "(d)".

Page 7, line 15, delete "The applicant's license,".

Page 7, delete lines 16 through 20.

Page 7, line 23, delete "unless" and insert "**unless:**
(1)".

Page 7, line 25, delete "period." and insert "**period;**

(2) the board issues a conditional license to the practitioner that is effective until the reinstatement is denied or the license is reinstated; or

(3) the reinstatement is denied."

Page 7, line 25, beginning with "If" begin a new line blocked left.

Page 7, line 42, delete "abusive or".

Page 10, line 25, delete "abusive or".

Page 10, line 25, delete "practices," and insert "**practices;**".

Page 10, delete lines 26 through 31.

Page 11, after line 42, begin a new paragraph and insert:

"SECTION 9. IC 25-1-11-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. **(a)** The board may summarily suspend a practitioner's license for ninety (90) days before a final adjudication or during the appeals process if the board finds that a practitioner represents a clear and immediate danger to the public's health, safety, or property if the practitioner is allowed to continue to practice. The summary suspension may be renewed upon a hearing before the board, and each renewal may be for not more than ninety (90) days.

(b) The board may summarily suspend the license of a real estate appraiser for ninety (90) days before a final adjudication or during the appeals process if the board finds that the licensed real estate appraiser has engaged in material and intentional misrepresentations or omissions in the preparation of at least three (3) written appraisal reports that were submitted by a person to obtain a loan. The summary suspension may be renewed upon a hearing before the board. Each renewal of a summary suspension may not be for more than ninety (90) days.

(c) Before the board may summarily suspend a license under

this section, the consumer protection division of the attorney general's office shall make a reasonable attempt to notify a practitioner of a hearing by the board to suspend a practitioner's license and of information regarding the allegation against the practitioner. The consumer protection division of the attorney general's office shall also notify the practitioner that the practitioner may provide a written or an oral statement to the board on the practitioner's behalf before the board issues an order for summary suspension. A reasonable attempt to reach the practitioner is made if the consumer protection division of the attorney general's office attempts to reach the practitioner by telephone or facsimile at the last telephone number or facsimile number of the practitioner on file with the board."

Page 14, delete line 37.

Page 14, line 38, delete "(2)" and insert "**(1)**".

Page 14, line 39, delete "(3)" and insert "**(2)**".

Page 14, line 40, delete "(4)" and insert "**(3)**".

Page 15, line 4, delete "(5)" and insert "**(4)**".

Page 16, line 17, after "21(e)" insert "**or 21(f)**".

Page 30, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 46. IC 25-35.6-1-7, AS AMENDED BY P.L.157-2006, SECTION 75, AND AS AMENDED BY P.L.1-2006, SECTION 480, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. **(a)** The **division of professional standards** ~~board~~ **established within the department of education by IC 20-28-2-1.5 (referred to as "the division of professional standards" in this section)** may issue the following:

(1) An initial license as a speech-language pathologist only to an individual who is licensed as a speech-language pathologist under this article.

(2) A nonrenewable initial license as a speech-language pathologist to an individual who is completing a clinical fellowship in speech-language pathology and who has registered the clinical fellowship with the board. The nonrenewable initial license expires on the earlier of:

(A) the date the individual is licensed by the board as a speech-language pathologist; or

(B) eighteen (18) months after the individual begins the clinical fellowship in speech-language pathology.

~~(2)~~ **(3)** A renewal license as a speech-language pathologist to an individual who was licensed by the professional standards board before July 1, 2005, and who is not licensed as a speech-language pathologist under this article.

(b) The **division of professional standards** ~~board~~ shall issue a license as a speech-language pathologist to an individual who:

(1) is licensed as a speech-language pathologist under this article; and

(2) requests licensure.

(c) A speech-language pathologist licensed by the **division of professional standards** ~~board~~ shall register with the Indiana professional licensing agency all speech-language pathology support personnel that the speech-language pathologist supervises.

(d) The **division of professional standards** ~~board~~ may not impose different or additional supervision requirements upon speech-language pathology support personnel than the supervision requirements that are imposed under this article.

(e) The **division of professional standards board** may not impose continuing education requirements upon an individual who receives a license under this section that are different from or in addition to the continuing education requirements imposed under this article.

(f) An individual: ~~who:~~

(1) ~~if:~~ **who:**

(A) **if** the individual is a speech-language pathologist, receives a license under this section or received a license as a speech-language pathologist issued by the professional standards board before July 1, 2005; or

(B) **if** the individual is an audiologist, works in an educational setting;

(2) **who** has been the holder of a certificate of clinical competence in speech-language pathology or audiology or its equivalent issued by a nationally recognized association for speech-language pathology and audiology for at least three (3) consecutive years; and

(3) **who** has professional experience as a licensed speech-language pathologist or audiologist in a school setting that is equivalent to the experience required for a teacher seeking national certification by the National Board of Professional Teaching Standards;

is considered to have the equivalent of and is entitled to the same benefits that accrue to a holder of a national certification issued by the National Board for Professional Teaching Standards."

Renumber all SECTIONS consecutively.

(Reference is to SB 335 as printed January 24, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 135, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 16-18-2-69.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 69.2. "Contraception", for purposes of IC 16-34, means the use of a drug or device that has been approved to prevent pregnancy by the federal Food and Drug Administration.**

SECTION 2. IC 16-34-1-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 0.5. Contraception is not subject to or governed by this article."**

Page 2, line 16, delete "the fetus might feel pain." and insert **"there are differing medical opinions concerning when a fetus feels pain."**

Page 2, line 33, delete "in" and insert **"in:**

(i)".

Page 2, line 34, delete "after." and insert **"after; and**

(ii) completing a pregnancy."

Page 2, line 35, delete "human physical life begins when a human ovum" and insert **"an embryo formed by the fertilization of a human ovum by a human sperm immediately begins to divide and grow as human physical life."**

Page 2, delete line 36.

Renumber all SECTIONS consecutively.

(Reference is to SB 135 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 318, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, after line 8, begin a new paragraph and insert:

"(e) A pharmacy may determine not to participate in the Medicaid program because of a change to the office's maximum allowable cost schedule for drugs if the pharmacy notifies the office not less than seven (7) days after the changes take effect."

(Reference is to SB 318 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 320, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 10, line 3, delete "thermal therapy,".

Page 10, delete lines 12 through 13.

Page 10, line 14, delete "7." and insert **"6."**

Page 10, line 20, delete "8." and insert **"7."**

Page 13, line 3, after "classroom" insert **"and hands on"**.

Page 13, line 3, delete ";" and insert **", with at least two hundred fifty (250) hours consisting of hands on instruction;"**.

Page 13, line 16, delete ", if the" and insert **"."**

Page 13, delete line 17.

Page 13, line 18, after "(ii)" insert **"The National Certification Board Examination of the American Medical Massage Association (NCBEAMMA).**

(iii)".

Page 13, line 18, delete "." and insert **"if the examination has undergone psychometric evaluation by a recognized agency."**

Page 13, delete lines 19 through 20.

Page 13, line 37, delete "Therapist"," and insert **"Therapist" or"**.

Page 13, line 38, delete ", "Licensed Massage Practitioner", "Massage" and insert **;"**.

Page 13, delete lines 39 through 40.

Page 14, line 33, delete ":".

Page 14, line 34, delete "(A)".

Page 14, run in lines 33 through 34.

Page 14, line 36, delete "another agency that meets" and insert **"the National Certification Board of the American Medical Massage Association;"**.

Page 14, delete lines 37 through 39.

Page 15, line 5, delete "(a)".

Page 15, delete lines 19 through 21.

Page 16, line 32, delete "the following:".

Page 16, delete lines 33 through 39.

Page 16, line 40, delete "(B)".

Page 16, run in lines 32 through 40.

Page 17, line 2, delete "Provides proof of current membership in good standing in" and insert **"Has completed"**.

Page 17, delete line 3.

Page 17, line 4, delete "requires".

Page 17, line 5, delete "instruction" and insert **"and hands on instruction, of which at least two hundred fifty (250) hours consist of hands on instruction,"**.

Page 17, line 25, delete "instruction" and insert **"and hands on instruction, of which at least two hundred fifty (250) hours were hands on instruction,"**.

(Reference is to SB 320 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 1.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill 501, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE AUGUST 1, 2007]".

Page 3, between lines 29 and 30, begin a new paragraph and insert:

"(c) Notwithstanding any other provision of this chapter, the budget agency may not establish the account or implement the health reimbursement arrangement unless the general assembly makes a specific appropriation to implement the health reimbursement arrangement."

Page 3, line 30, delete "(c)" and insert **"(d)"**.

Page 4, line 25, delete "\$1,000" and insert **"\$800"**.

Page 4, line 26, delete "\$1,500" and insert **"\$1,100"**.

Page 4, line 27, delete "\$2,000" and insert **"\$1,400"**.

Page 5, line 19, delete "five hundred".

Page 5, line 19, delete "\$1,500" and insert **"\$1,000"**.

(Reference is to SB 501 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which

was referred Senate Bill 51, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, after line 37, begin a new paragraph and insert:

"(d) If the amount of money in the fund is not sufficient to pay outstanding claims, the division may prioritize the payment of compensation from the fund. The division shall adopt rules under IC 4-22-2 to implement this subsection."

(Reference is to SB 51 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 329, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 14, delete lines 22 through 32.

Page 17, line 9, after "any" insert **"Title IV-D"**.

Page 18, delete lines 28 through 32.

Page 20, line 7, delete "subject to subsection (f),".

Page 20, line 7, after "an" insert **"additional"**.

Page 20, line 7, after "amount" insert **"as determined under subsection (f)"**.

Page 20, line 14, delete "The amount under subsection (e)(3) may not exceed the" and insert **"If an obligor subject to an income withholding order is in arrears, unless otherwise ordered by a court, the Title IV-D agency or its agent may increase the weekly amount withheld as follows:"**

(1) If the arrearages are at least five hundred dollars (\$500) and less than three thousand dollars (\$3,000), an additional amount of up to twenty dollars (\$20).

(2) If the arrearages are at least three thousand dollars (\$3,000) and less than five thousand dollars (\$5,000), an additional amount of up to twenty-five dollars (\$25).

(3) If the arrearages are at least five thousand dollars (\$5,000) and less than ten thousand dollars (\$10,000), an additional amount of up to thirty dollars (\$30).

(4) If the arrearages are at least ten thousand dollars (\$10,000) and less than fifteen thousand dollars (\$15,000), an additional amount of up to thirty-five dollars (\$35).

(5) If the arrearages are at least fifteen thousand dollars (\$15,000) and less than twenty thousand dollars (\$20,000), an additional amount of up to forty dollars (\$40).

(6) If the arrearages are at least twenty thousand dollars (\$20,000) and less than twenty-five thousand dollars (\$25,000), an additional amount of up to forty-five dollars (\$45).

(7) If the arrearages are at least twenty-five thousand dollars (\$25,000), an additional amount of up to fifty dollars (\$50).

(g) A court is not bound by and is not required to consider the additional amounts described in subsection (f) when ordering, modifying, or enforcing periodic payments of child support."

Page 20, delete lines 15 through 19.

Page 21, line 31, delete "subject to section 2.5(f) of this chapter,".

Page 21, line 31, after "an" insert **"additional"**.

Page 21, line 31, after "amount" insert **"as determined under section 2.5(f) of this chapter"**.

Page 30, line 18, after "payment" insert ";".

Page 30, line 18, delete "based upon employment".

Page 30, line 19, delete "income;".

Page 30, line 25, delete "child".

Page 31, line 1, after "chapter," insert **"the Title IV-D agency shall send the income payor, by certified mail, a notice of failure to comply. If the income payor fails to forward the money required by an income withholding order within thirty (30) days after receipt of the notice of failure to comply, "**

Page 31, line 4, delete "that receives an income withholding order".

Page 31, delete line 5.

Page 31, line 6, delete "order" and insert **"described in subsection (a)"**.

Page 31, run in lines 4 through 6.

Page 32, line 23, delete "court;" and insert "court".

Page 32, line 24, after "chapter;" insert **"or the Title IV-D agency;"**.

Page 33, line 5, delete "(a)".

Page 33, line 6, delete "an administrative" and insert **"a"**.

Page 33, line 7, after "subpoena" insert **"under Indiana Trial Rule 45"**.

Page 33, delete lines 9 through 16.

Page 37, delete lines 31 through 42.

Page 38, delete lines 1 through 20.

Page 42, line 21, delete "JULY 1, 2007]:" and insert "JANUARY 1, 2008]:".

Renumber all SECTIONS consecutively.

(Reference is to SB 329 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 233, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 22, delete "The following liens have priority over a recorded" and insert **"A notice of lien may not be recorded under subsection (a) unless the notice of lien:**

(1) contains:

(A) the name and address of the homeowners association;

(B) the address and legal description of the property that is subject to the lien;

(C) the name of the owner of the property that is subject to the lien; and

(D) the amount of the lien; and

(2) is:

(A) signed by an officer of the homeowners association; and

(B) acknowledged as in the case of deeds."

Page 2, delete lines 23 through 32.

Page 3, line 27, delete "person" and insert **"homeowners association"**.

Page 4, line 22, delete ":".

Page 4, line 23, delete "(1)".

Page 4, line 24, delete "; and" and insert ".".

Page 4, delete lines 25 and 26.

Page 4, run in lines 22 through 27.

Page 4, line 27, delete "and certifies the record".

Page 4, after line 29, begin a new paragraph and insert:

"(d) An affidavit recorded under subsection (c) must cross reference the lien."

(Reference is to SB 233 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 232, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, delete lines 13 through 17, begin a new line block indented and insert:

"(1) an instrument is recorded; and

(2) the instrument does not comply with the:

(A) acknowledgment requirements of:

(i) IC 32-21-2-3;

(ii) IC 32-21-2-4;

(iii) IC 32-21-2-5; or

(iv) IC 32-21-2-7; or

(B) technical requirements of:

(i) IC 36-2-11-16; or

(ii) IC 36-2-11-16.5;

the instrument is a valid recording, and all parties are considered to have constructive notice of the contents of the instrument."

(Reference is to SB 232 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 520, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 16, after "operate" insert **", subject to specific appropriation by the general assembly,"**

Page 2, line 24, delete "The" and insert **"Subject to specific appropriation by the general assembly, the"**.

Page 2, line 30, delete "The" and insert "**Subject to specific appropriation by the general assembly, the**".

Page 5, line 31, delete "Before entering into a new rental agreement, a landlord shall" and insert "**A tenant may void a rental agreement if the following conditions are met:**

(1) The rental property was the site of a methamphetamine laboratory not more than two (2) years before the tenant and the landlord entered into the rental agreement.

(2) The landlord has actual knowledge that the rental property was the site of a methamphetamine laboratory.

(3) The landlord failed to disclose to the tenant that the rental property was the site of a methamphetamine laboratory before the tenant and the landlord entered into the rental agreement."

Page 5, delete lines 32 through 33.

(Reference is to SB 520 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

BRAY, Chair

Report adopted.

ENGROSSED SENATE BILLS ON THIRD READING

Engrossed Senate Bill 289

Senator Dillon called up Engrossed Senate Bill 289 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 154: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives V. Smith and Ruppel.

Engrossed Senate Bill 506

Senator Merritt called up Engrossed Senate Bill 506 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 155: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsor: Representative Tincher.

Engrossed Senate Bill 526

Senator Landske called up Engrossed Senate Bill 526 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 156: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Van Haaften, Foley, Kuzman, and Behning.

Engrossed Senate Bill 550

Senator Becker called up Engrossed Senate Bill 550 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning probate.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 157: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Welch, Grubb, Crouch, and Dodge.

Engrossed Senate Bill 568

Senator Meeks called up Engrossed Senate Bill 568 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 158: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Tincher and McClain.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 34

Senate Concurrent Resolution 34, introduced by Senator Wyss:

A CONCURRENT RESOLUTION honoring St. Vincent de Paul School on the occasion of the 50th anniversary of its founding.

Whereas, Ground was broken for St. Vincent de Paul School on June 12, 1955, and the doors were opened on September 4, 1956, with about 200 students;

Whereas, Today the school serves children in grades one through eight and has 715 students;

Whereas, St. Vincent de Paul School began with four

classrooms, three nuns, and one teacher;

Whereas, Today the school has four wings, no nuns, almost 40 teachers, and plans to add a full day kindergarten program by fall 2008;

Whereas, There have been many changes to the buildings and the number of teachers and students throughout the years, but the dedication and mission of the administration and the faculty has remained the same;

Whereas, St. Vincent de Paul School is dedicated to providing each student with an atmosphere that is conducive to learning and at the same time spreading the Gospel spirit of love, which recognizes self-discipline and personal responsibility and affirms the dignity of all persons; and

Whereas, The mission of St. Vincent de Paul School is to "enable all the students to live their Catholic faith and to achieve academic success", something the school has been doing now for 50 years: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. That the Indiana General Assembly congratulates St. Vincent de Paul School on its 50th anniversary and thanks the staff for its dedication and commitment to the students of Fort Wayne.

SECTION 2. That copies of this resolution be transmitted by the Secretary of the Senate to the Sandra Guffey, principal of St. Vincent de Paul School.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Pond, GiaQuinta, Borror, and Bell.

RESOLUTIONS ON SECOND READING

Senate Concurrent Resolution 25

Senator Deig called up Senate Concurrent Resolution 25 for second reading. The resolution was read a second time by title and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Van Haaften, Avery, and Hoy.

RESOLUTIONS ON THIRD READING

Engrossed Senate Joint Resolution 14

Senator Steele called up Engrossed Senate Joint Resolution 14 for third reading:

A JOINT RESOLUTION proposing an amendment to Article 1 of the Constitution of the State of Indiana concerning the bill of rights.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana, which was agreed to by the One Hundred Fourteenth General Assembly and referred to this General Assembly for reconsideration and agreement, is agreed to by this the One Hundred Fifteenth General Assembly of the State of Indiana.

SECTION 2. ARTICLE 1 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED BY ADDING A **NEW** SECTION TO READ AS FOLLOWS: Section 38. The people have a right to hunt, fish, and harvest game, which are a valued part of our heritage and shall be forever preserved for the public good, subject to laws prescribed by the General Assembly and rules prescribed by virtue of the authority of the General Assembly.

The joint resolution was read in full and placed upon its passage. The question was, Shall the joint resolution pass?

Roll Call 159: yeas 46, nays 3. The joint resolution was declared passed. The question was, Shall the title of the joint resolution remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the joint resolution. House sponsors: Representatives Bischoff and Ulmer.

SENATE BILLS ON SECOND READING

Senate Bill 20

Senator Delph called up Senate Bill 20 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Senate Bill 70

Senator M. Young called up Senate Bill 70 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Senate Bill 106

Senator Lanane called up Senate Bill 106 for second reading. The bill was read a second time by title.

SENATE MOTION (Amendment 106-1)

Madam President: I move that Senate Bill 106 be amended to read as follows:

Page 1, line 15, after "technologies," insert "**development and production of fuel efficient vehicles**".

(Reference is to SB 106 as printed February 16, 2007.)

LANANE

Motion prevailed. The bill was ordered engrossed.

Senate Bill 129

Senator M. Young called up Senate Bill 129 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Senate Bill 201

Senator Miller called up Senate Bill 201 for second reading. The bill was read a second time by title.

SENATE MOTION
(Amendment 201-1)

Madam President: I move that Senate Bill 201 be amended to read as follows:

Page 5, delete lines 20 through 21.

(Reference is to SB 201 as printed February 2, 2007.)

SIMPSON

The Chair ordered a division of the Senate. Yeas 18, nays 30.

Motion failed. The bill was ordered engrossed.

Senate Bill 238

Senator Ford called up Senate Bill 238 for second reading. The bill was read a second time by title.

SENATE MOTION
(Amendment 238-1)

Madam President: I move that Senate Bill 238 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning trade regulation.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "committee" refers to the sentencing policy study committee or other appropriate study committee as determined by the legislative council.

(b) As used in this SECTION, "adult rated video games" refers to video games that contain violent or objectionable content.

(c) The committee shall study issues relating to the availability for sale and rental to minors of adult rated video games.

(d) This SECTION expires December 31, 2007. SECTION 2. An emergency is declared for this act.

(Reference is to SB 238 as printed February 20, 2007.)

FORD

Motion prevailed. The bill was ordered engrossed.

Senate Bill 248

Senator Mrvan called up Senate Bill 248 for second reading. The bill was read a second time by title.

SENATE MOTION
(Amendment 248-1)

Madam President: I move that Senate Bill 248 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 35-38-1-7.5, AS AMENDED BY P.L.173-2006, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7.5. (a) As used in

this section, "sexually violent predator" means a person who suffers from a mental abnormality or personality disorder that makes the individual likely to repeatedly engage in any of the offenses described in IC 11-8-8-5. The term includes a person convicted in another jurisdiction who is identified as a sexually violent predator under IC 11-8-8-20. The term does not include a person no longer considered a sexually violent predator under subsection (g).

(b) A person who:

(1) **except as provided in subsection (h)**, being at least eighteen (18) years of age, commits an offense described in:

(A) IC 35-42-4-1;

(B) IC 35-42-4-2;

(C) IC 35-42-4-3 as a Class A or Class B felony;

(D) IC 35-42-4-5(a)(1);

(E) IC 35-42-4-5(a)(2);

(F) IC 35-42-4-5(a)(3);

(G) IC 35-42-4-5(b)(1) as a Class A or Class B felony;

(H) IC 35-42-4-5(b)(2); or

(I) IC 35-42-4-5(b)(3) as a Class A or Class B felony; or

(2) commits an offense described in IC 11-8-8-5 while having a previous unrelated conviction for an offense described in IC 11-8-8-5 for which the person is required to register as an offender under IC 11-8-8;

is a sexually violent predator.

(c) This section applies whenever a court sentences a person for a sex offense listed in IC 11-8-8-5 for which the person is required to register with the local law enforcement authority under IC 11-8-8.

(d) At the sentencing hearing, the court shall determine whether the person is a sexually violent predator under subsection (b).

(e) If the court does not find the person to be a sexually violent predator under subsection (b), the court shall consult with a board of experts consisting of two (2) board certified psychologists or psychiatrists who have expertise in criminal behavioral disorders to determine if the person is a sexually violent predator under subsection (a).

(f) If the court finds that a person is a sexually violent predator:

(1) the person is required to register with the local law enforcement authority as provided in IC 11-8-8; and

(2) the court shall send notice of its finding under this subsection to the department of correction.

(g) A person who is found by a court to be a sexually violent predator may petition the court to consider whether the person should no longer be considered a sexually violent predator. The person may file a petition under this subsection not earlier than ten (10) years after:

(1) the sentencing court makes its finding under subsection (e); or

(2) a person found to be a sexually violent predator under subsection (b) is released from incarceration.

A person may file a petition under this subsection not more than one (1) time per year. If a court finds that the person should no longer be considered a sexually violent predator, the court shall send notice to the department of correction that the person is no longer considered a sexually violent predator. Notwithstanding any other law, a condition imposed on a person due to the person's status as a sexually violent predator, including lifetime parole or GPS

monitoring, does not apply to a person no longer considered a sexually violent predator.

(h) A person is not a sexually violent predator under subsection (b)(1) if the following conditions apply:

(1) The person is either:

(A) not more than four (4) years older than the victim; or

(B) if both the person and the victim were students at the time the act occurred, not more than five (5) years older than the victim and not more than four (4) grade levels above the victim.

(2) The relationship between the person and the victim was a dating relationship or an ongoing personal relationship.

(3) The offense described under subsection (b)(1) does not include the following:

(A) Rape (IC 35-42-4-1).

(B) Criminal deviate conduct (IC 35-42-4-2).

(C) Sexual battery (IC 35-42-4-8).

(D) An offense committed by using or threatening the use of deadly force or while armed with a deadly weapon.

(E) An offense that results in serious bodily injury.

(F) An offense that is facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge.

(4) The court finds that the person should not be considered a sexually violent predator.

A person who is not a sexually violent predator under subsection (b)(1) may still be a sexually violent predator under another provision of this section."

Page 2, between lines 8 and 9, begin a new paragraph and insert:
"SECTION 3. IC 35-50-2-2, AS AMENDED BY P.L.151-2006, SECTION 28, AS AMENDED BY P.L.140-2006, SECTION 36, AND AS AMENDED BY P.L.173-2006, SECTION 36, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The court may suspend any part of a sentence for a felony, except as provided in this section or in section 2.1 of this chapter.

(b) With respect to the following crimes listed in this subsection, the court may suspend only that part of the sentence that is in excess of the minimum sentence, unless the court has approved placement of the offender in a forensic diversion program under IC 11-12-3.7:

(1) The crime committed was a Class A or Class B felony and the person has a prior unrelated felony conviction.

(2) The crime committed was a Class C felony and less than seven (7) years have elapsed between the date the person was discharged from probation, imprisonment, or parole, whichever is later, for a prior unrelated felony conviction and the date the person committed the Class C felony for which the person is being sentenced.

(3) The crime committed was a Class D felony and less than three (3) years have elapsed between the date the person was discharged from probation, imprisonment, or parole, whichever is later, for a prior unrelated felony conviction and

the date the person committed the Class D felony for which the person is being sentenced. However, the court may suspend the minimum sentence for the crime only if the court orders home detention under IC 35-38-1-21 or IC 35-38-2.5-5 instead of the minimum sentence specified for the crime under this chapter.

(4) The felony committed was:

(A) murder (IC 35-42-1-1);

(B) battery (IC 35-42-2-1) with a deadly weapon or battery causing death;

(C) sexual battery (IC 35-42-4-8) with a deadly weapon;

(D) kidnapping (IC 35-42-3-2);

(E) confinement (IC 35-42-3-3) with a deadly weapon;

(F) rape (IC 35-42-4-1) as a Class A felony;

(G) criminal deviate conduct (IC 35-42-4-2) as a Class A felony;

(H) child molesting (IC 35-42-4-3) as a Class A or, **except as provided in subsection (i), a Class B felony;**

(I) robbery (IC 35-42-5-1) resulting in serious bodily injury or with a deadly weapon;

(J) arson (IC 35-43-1-1) for hire or resulting in serious bodily injury;

(K) burglary (IC 35-43-2-1) resulting in serious bodily injury or with a deadly weapon;

(L) resisting law enforcement (IC 35-44-3-3) with a deadly weapon;

(M) escape (IC 35-44-3-5) with a deadly weapon;

(N) rioting (IC 35-45-1-2) with a deadly weapon;

(O) dealing in cocaine *or* a narcotic drug ~~*or*~~ ~~methamphetamine~~ (IC 35-48-4-1) if the court finds the person possessed a firearm (as defined in IC 35-47-1-5) at the time of the offense, or the person delivered or intended to deliver to a person under eighteen (18) years of age at least three (3) years junior to the person and was on a school bus or within one thousand (1,000) feet of:

(i) school property;

(ii) a public park;

(iii) a family housing complex; or

(iv) a youth program center;

(P) dealing in methamphetamine (IC 35-48-4-1.1) if the court finds the person possessed a firearm (as defined in IC 35-47-1-5) at the time of the offense, or the person delivered or intended to deliver the methamphetamine pure or adulterated to a person under eighteen (18) years of age at least three (3) years junior to the person and was on a school bus or within one thousand (1,000) feet of:

(i) school property;

(ii) a public park;

(iii) a family housing complex; or

(iv) a youth program center;

~~(P)~~ *(Q) dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2) if the court finds the person possessed a firearm (as defined in IC 35-47-1-5) at the time of the offense, or the person delivered or intended to deliver to a person under eighteen (18) years of age at least three (3) years junior to the person and was on a school bus or within one thousand (1,000) feet of:*

- (i) school property;
- (ii) a public park;
- (iii) a family housing complex; or
- (iv) a youth program center;

~~(Q)~~ (R) an offense under IC 9-30-5 (operating a vehicle while intoxicated) and the person who committed the offense has accumulated at least two (2) prior unrelated convictions under IC 9-30-5;

~~(R)~~ (S) an offense under IC 9-30-5-5(b) (operating a vehicle while intoxicated causing death); or

~~(S)~~ (T) aggravated battery (IC 35-42-2-1.5).

(c) Except as provided in subsection (e), whenever the court suspends a sentence for a felony, it shall place the person on probation under IC 35-38-2 for a fixed period to end not later than the date that the maximum sentence that may be imposed for the felony will expire.

(d) The minimum sentence for a person convicted of voluntary manslaughter may not be suspended unless the court finds at the sentencing hearing that the crime was not committed by means of a deadly weapon.

(e) Whenever the court suspends that part of ~~an~~ a sex offender's (as defined in IC ~~5-2-12-4~~ IC 11-8-8-5) sentence that is suspendible under subsection (b), the court shall place the sex offender on probation under IC 35-38-2 for not more than ten (10) years.

(f) An additional term of imprisonment imposed under IC 35-50-2-11 may not be suspended.

(g) A term of imprisonment imposed under IC 35-47-10-6 or IC 35-47-10-7 may not be suspended if the commission of the offense was knowing or intentional.

(h) A term of imprisonment imposed for an offense under IC 35-48-4-6(b)(1)(B) or IC 35-48-4-6.1(b)(1)(B) may not be suspended.

(i) A term of imprisonment imposed for child molesting (IC 35-42-4-3) as a Class B felony may be suspended if all of the following apply:

(1) The person is either:

(A) not more than four (4) years older than the victim; or

(B) if both the person and the victim were students at the time the act occurred, not more than five (5) years older than the victim and not more than four (4) grade levels above the victim.

(2) The relationship between the person and the victim was a dating relationship or an ongoing personal relationship.

(3) The court finds that the person's sentence should not be nonsuspendible."

Renumber all SECTIONS consecutively.

(Reference is to SB 248 as printed February 16, 2007.)

MRVAN

The Chair ordered a division of the Senate. Yeas 16, nays 31.

Motion failed. The bill was ordered engrossed.

Senate Bill 390

Senator Broden called up Senate Bill 390 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Senate Bill 412

Senator Hershman called up Senate Bill 412 for second reading. The bill was read a second time by title.

SENATE MOTION

(Amendment 412-1)

Madam President: I move that Senate Bill 412 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-1-10-1.5 IS ADDED TO THE INDIANA CODE AS **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.5 As used in this chapter, "person" means an individual, a corporation, a limited liability company, a partnership, or other legal entity.**"

Page 1, line 17, after "goods" insert "**or services**".

Renumber all SECTIONS consecutively.

(Reference is to SB 412 as printed February 9, 2007.)

HERSHMAN

Motion prevailed.

SENATE MOTION

(Amendment 412-2)

Madam President: I move that Senate Bill 412 be amended to read as follows:

Page 3, after line 23, begin a new paragraph and insert:

"SECTION 3. IC 36-2-7-10.1, AS AMENDED BY P.L.171-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.1. (a) As used in this section, "bulk form" means:

(1) a copy of all recorded documents received by the county recorder for recording in a calendar day, week, month, or year;

(2) the indices for finding, retrieving, and viewing all recorded documents received by the county recorder for recording in a calendar day, week, month, or year; or

(3) both subdivisions (1) and (2).

(b) As used in this section, "bulk user" means an individual, a corporation, a partnership, a limited liability company, or an unincorporated association that purchases bulk form copies. However, "bulk user" does not include an individual, a corporation, a partnership, a limited liability company, or an unincorporated association whose primary purpose is to resell public records.

(c) As used in this section, "copy" means:

(1) duplicating electronically stored data onto a disk, tape, drum, or any other medium of electronic data storage; or

(2) reproducing on microfilm.

(d) As used in this section, "indices" means all of the indexing information used by the county recorder for finding, retrieving, and viewing a recorded document.

(e) As used in this section, "recorded document" means a writing, a paper, a document, a plat, a map, a survey, or anything else received at any time for recording or filing in the public records maintained by the county recorder.

(f) The county recorder shall collect the fees prescribed by this section for the sale of recorded documents in bulk form copies to bulk users of public records. The county recorder shall pay the fees into the county treasury at the end of each calendar month. The fees prescribed and collected under this section supersede all other fees for bulk form copies required by law to be charged for services rendered by the county recorder to bulk users.

(g) Except as provided by subsection (h), the county recorder shall charge bulk users the following for bulk form copies:

- (1) Five cents (\$0.05) per page for a recorded document, including the index of the instrument number or book and page, or both, for retrieving the recorded document.
- (2) Five cents (\$0.05) per recorded document for a copy of the other indices used by the county recorder for finding, retrieving, and viewing a recorded document.

(h) As used in this subsection, "actual cost" does not include labor costs or overhead costs. The county recorder may charge a fee that exceeds the amount established by subsection (g) if the actual cost of providing the bulk form copies exceeds the amount established by subsection (g). However, the total amount charged for the bulk form copies may not exceed the actual cost plus one cent (\$0.01) of providing the bulk form copies.

(i) The county recorder shall provide bulk users with bulk form copies in the format or medium in which the county recorder maintains the recorded documents and indices. If the county recorder maintains the recorded documents and indices in more than one (1) format or medium, the bulk user may select the format or medium in which the bulk user shall receive the bulk form copies. If the county recorder maintains the recorded documents and indices for finding, retrieving, and viewing the recorded documents in an electronic or a digitized format, a reasonable effort shall be made to provide the bulk user with bulk form copies in a standard, generally acceptable, readable format. Upon request of the bulk user, the county recorder shall provide the bulk form copies to the bulk user within a reasonable time after the recorder's archival process is completed and bulk form copies become available in the office of the county recorder.

(j) Bulk form copies under this section may be used:

- (1) in the ordinary course of the business of the bulk user; and
- (2) by customers of the bulk user.

The bulk user may charge its customers a fee for using the bulk form copies obtained by the bulk user. However, bulk form copies obtained by a bulk user under this section may not be resold.

(k) All revenue generated by the county recorder under this section shall be deposited in the recorder's record perpetuation fund and used by the recorder in accordance with section ~~10(c)~~ **10(d)** of this chapter.

(l) This section does not apply to enhanced access under IC 5-14-3-3.

SECTION 4. IC 36-2-11-15, AS AMENDED BY P.L.171-2006, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) This section does not apply to:

- (1) an instrument executed before July 1, 1959, or recorded before July 26, 1967;
- (2) a judgment, order, or writ of a court;
- (3) a will or death certificate;
- (4) an instrument executed or acknowledged outside Indiana; or
- (5) a federal lien on real property or a federal tax lien on personal property, as described in section 25 of this chapter.

(b) The recorder may receive for record or filing an instrument that conveys, creates, encumbers, assigns, or otherwise disposes of an interest in or lien on property only if:

- (1) the name of the person and governmental agency, if any, that prepared the instrument is printed, typewritten, stamped, or signed in a legible manner at the conclusion of the instrument; and
- (2) all Social Security numbers in the document are redacted, unless required by law.

(c) An instrument complies with subsection (b)(1) if it contains a statement in the following form: "This instrument was prepared by (name)."

(d) An instrument complies with subsection (b)(2) if it contains a statement in the following form **at the conclusion of the instrument and below the statement required by subsection (b)(1):** "I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law (name)."

SECTION 5. **An emergency is declared for this act.**

Renumber all SECTIONS consecutively.

(Reference is to SB 412 as printed February 9, 2007.)

HERSHMAN

Motion prevailed. The bill was ordered engrossed.

Senate Bill 457

Senator Riegsecker called up Senate Bill 457 for second reading. The bill was read a second time by title.

SENATE MOTION

(Amendment 457-1)

Madam President: I move that Senate Bill 457 be amended to read as follows:

Page 5, line 11, delete "two (2)" and insert "**four (4)**".

Page 5, line 15, delete "two (2)" and insert "**four (4)**".

Page 5, between lines 27 and 28, begin a new paragraph and insert:

"(o) If an employer determines that an employee has provided false or fictitious documents as described in subsection (n), the employer shall notify the employee that the employee may be committing a Class A misdemeanor as described in subsection (p)."

Page 5, delete lines 28 through 40.

(Reference is to SB 457 as printed February 16, 2007.)

RIEGSECKER

Motion prevailed. The bill was ordered engrossed.

Senate Bill 490

Senator Kruse called up Senate Bill 490 for second reading. The bill was read a second time by title.

SENATE MOTION
(Amendment 490-2)

Madam President: I move that Senate Bill 490 be amended to read as follows:

Page 21, line 4, after "plans," insert "**fire safety laws as they relate to**".

Page 21, line 7, delete "building system." and insert "**systems, as that term is defined by the rules of the fire prevention and building safety commission, of the building.**".

(Reference is to SB 490 as printed February 16, 2007.)

WEATHERWAX

Motion prevailed. The bill was ordered engrossed.

Senate Bill 555

Senator Broden called up Senate Bill 555 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

**ENGROSSED SENATE BILLS
ON THIRD READING**

Engrossed Senate Bill 155

Senator Gard called up Engrossed Senate Bill 155 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 160: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Dvorak and Wolkins.

Engrossed Senate Bill 156

Senator Gard called up Engrossed Senate Bill 156 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 161: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Dvorak and Wolkins.

Engrossed Senate Bill 193

Senator Miller called up Engrossed Senate Bill 193 for third

reading:

A BILL FOR AN ACT concerning health.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 162: yeas 31, nays 18. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives C. Brown and T. Brown.

Engrossed Senate Bill 328

Senator Lawson called up Engrossed Senate Bill 328 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 163: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Welch and Bell.

Engrossed Senate Bill 379

Senator M. Young called up Engrossed Senate Bill 379 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning trusts and fiduciaries.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 164: yeas 43, nays 6. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Bardon, Dobis, and Burton.

Engrossed Senate Bill 450

Senator Sipes called up Engrossed Senate Bill 450 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 165: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Stemler and T. Brown.

Engrossed Senate Bill 463

Senator Heinold called up Engrossed Senate Bill 463 for third

reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 166: yeas 47, nays 2. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Tincher and Ruppel.

Engrossed Senate Bill 487

Senator Wyss called up Engrossed Senate Bill 487 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 167: yeas 32, nays 17. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Welch, Crouch, C. Brown, and Duncan.

Engrossed Senate Bill 536

Senator Ford called up Engrossed Senate Bill 536 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 168: yeas 46, nays 3. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Austin and Borror.

Engrossed Senate Bill 567

Senator Lubbers called up Engrossed Senate Bill 567 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 169: yeas 37, nays 12. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the

bill. House sponsors: Representatives Porter and Behning.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed House Bills 1608, 1623, 1633, 1654, and 1100 and the same are herewith transmitted to the Senate for further action.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed House Concurrent Resolution 25 and the same is herewith transmitted for further action.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed House Bills 1557, 1659, 1663, 1664, 1710, and 1762 and the same are herewith transmitted to the Senate for further action.

CLINTON MCKAY
Principal Clerk of the House

SENATE MOTION

Madam President: I move that Senator Simpson be added as coauthor of Engrossed Senate Bill 379.

M. YOUNG

Motion prevailed.

SENATE MOTION

Madam President: I move that Senators Sipes and Breaux be added as coauthors of Engrossed Senate Bill 328.

LAWSON

Motion prevailed.

SENATE MOTION

Madam President: I move that Senators Jackman, Heinold, Landske, Meeks, Mishler, Walker, Waterman, Lewis, Sipes, Skinner, and R. Young be added as coauthors of Engrossed Senate Joint Resolution 14.

STEELE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Engrossed Senate Bill 155.

GARD

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Engrossed Senate Bill 156.

GARD

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Steele be removed as second author of Senate Bill 508.

STEELE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Waterman be removed as author of Senate Bill 508 and that Senator Steele be substituted therefor.

WATERMAN

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Waterman be added as second author of Senate Bill 508.

STEELE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Broden be added as cosponsor of Engrossed House Bill 1042.

DELPH

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Howard be added as coauthor of Engrossed Senate Bill 238.

FORD

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hershman be added as third author of Senate Bill 106.

LANANE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Heinold be added as coauthor of Senate Bill 106.

LANANE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Errington be added as second author of Senate Bill 320.

MILLER

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Tallian be added as coauthor of Engrossed Senate Bill 567.

LUBBERS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Steele be removed as coauthor of Senate Bill 248.

STEELE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Steele be added as second author of Senate Bill 248.

MRVAN

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Rogers be added as second author, Senator Long be added as third author, and Senator R. Young be added as coauthor of Senate Bill 401.

DILLON

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Mrvan be added as second author, Senator Long be added as third author, and Senators R. Young and Hume be added as coauthors of Senate Bill 501.

KENLEY

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Weatherwax be added as second author, Senator Mrvan be added as third author, and Senators Drozda and Zakas be added as coauthors of Senate Bill 78.

M. YOUNG

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Rogers be added as

second author of Senate Concurrent Resolution 37.

MILLER

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Zakas be added as coauthor of Senate Bill 51.

WYSS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Bray be added as second author and Senators Lanane, Steele, and Broden be added as coauthors of Senate Bill 232.

ZAKAS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Bray be added as second author and Senators Lanane, Steele, and Broden be added as coauthors of Senate Bill 233.

ZAKAS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Paul be added as coauthor of Engrossed Senate Bill 567.

LUBBERS

Motion prevailed.

SENATE MOTION

Madam President: I move we adjourn until 1:30 p.m., Monday, February 26, 2007.

LONG

Motion prevailed.

The Senate adjourned at 6:33 p.m.

MARY C. MENDEL
Secretary of the Senate

REBECCA S. SKILLMAN
President of the Senate